SunCoke Energy, Inc.
Form 10-K
February 29, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2011

or

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-35243

SUNCOKE ENERGY, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**90-0640593**
(State of or other jurisdiction of	**(I.R.S. Employer**
incorporation or organization)	**Identification No.)**
1011 Warrenville Road, Suite 600	
Lisle, Illinois	**60532**
(Address of principal executive offices)	**(zip code)**

Registrant s telephone number, including area code: (630) 824-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on which Registered**
Common Stock, $0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933. Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	x (Do not check if a smaller reporting company)	Smaller reporting company	¨

Indicate by check mark whether the Registrant is a shell company, as defined in Rule 12b-2 of the Securities Exchange Act of 1934. Yes ¨ No x

As of June 30, 2011, the last business day of the registrant s most recently completed second fiscal quarter, the registrant s stock was not publicly traded.

The number of shares of common stock outstanding as of February 17, 2012 was 70,084,410.

Selective portions of the SunCoke Energy, Inc. definitive Proxy Statement, which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2011, are incorporated by reference in Part III of this Form 10-K.

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SUNCOKE ENERGY, INC.

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PART I

Item 1. Business

Overview

SunCoke Energy, Inc. (SunCoke Energy , Company , we , our and us) is the largest independent producer of high-quality metallurgical coke in Americas, as measured by tons of coke produced each year, and has almost 50 years of coke production experience. Metallurgical coke is a principal raw material in the integrated steelmaking process. We have designed, developed and built, and own and operate five metallurgical cokemaking facilities in the United States (U.S.) and designed and operate one cokemaking facility in Brazil under licensing and operating agreements on behalf of our customer. Our fifth U.S. cokemaking facility in Middletown, Ohio was recently completed and commenced operations in October 2011. With the completion of our Middletown facility, our total U.S. cokemaking capacity has increased from approximately 3.7 million tons of coke per year to approximately 4.2 million tons of coke per year. The cokemaking facility that we operate in Brazil has cokemaking capacity of approximately 1.7 million tons of coke per year. We also have a preferred stock investment in the project company that owns the Brazil facility.

We own and operate coal mining operations in Virginia and West Virginia that sold approximately 1.4 million tons of metallurgical coal (including internal sales to our cokemaking operations) in 2011.

Incorporated in Delaware in 2010 and headquartered in Lisle, Illinois, we became a publicly-traded company in 2011, and our stock is listed on the New York Stock Exchange (NYSE) under the symbol SXC. As discussed below, our two-step separation (Separation) from Sunoco, Inc. (Sunoco) was recently completed.

Our Separation from Sunoco

On January 17, 2012 (the Distribution Date), we became an independent, publicly-traded company following our separation from Sunoco. Our separation from Sunoco occurred in two steps:

- We were formed as a wholly-owned subsidiary of Sunoco. On July 18, 2011 (the Separation Date), Sunoco contributed the subsidiaries, assets and liabilities that were primarily related to its cokemaking and coal mining operations to us in exchange for shares of our common stock. As of such date, Sunoco owned 100% of our common stock. On July 26, 2011, we completed an initial public offering (IPO) of 13,340,000 shares of our common stock, or 19.1% of our outstanding common stock. Following the IPO, Sunoco continued to own 56,660,000 shares of our common stock, or 80.9% of our outstanding common stock.

- On the Distribution Date, Sunoco made a pro-rata, tax free distribution (the Distribution) of the remaining shares of our common stock that it owned in the form of a special stock dividend to Sunoco shareholders. Sunoco shareholders received 0.53046456 of a share of common stock for every share of Sunoco common stock held as of the close of business on the January 5, 2012, the record date for the Distribution. After the Distribution, Sunoco ceased to own any shares of our common stock.

Business Segments

We report our business results through four segments:

- Jewell Coke consists of our cokemaking operations located in Vansant, Virginia.

- Other Domestic Coke consists of our Indiana Harbor, Haverhill and Granite City cokemaking and heat recovery operations located in East Chicago, Indiana, Franklin Furnace, Ohio and Granite City, Illinois, respectively. Beginning in October 2011, we included the operating results of our Middletown cokemaking operations located in Middletown, Ohio in the Other Domestic Coke segment.

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International Coke consists of our operations in Vitória, Brazil, where we operate a cokemaking facility for a Brazilian subsidiary of ArcelorMittal.

Coal Mining consists of our metallurgical and thermal coal mining activities conducted in Virginia and West Virginia. In January 2011, we acquired Harold Keene Coal Co., Inc. and its affiliated companies (the HKCC Companies or HKCC) whose results are included in this segment from the date of acquisition.

For additional information regarding our business segments, see Management s Discussion and Analysis of Financial Condition and Results of Operations and Note 25 to our Combined and Consolidated Financial Statements.

Cokemaking Operations

The following table sets forth information about our cokemaking facilities:

Facility	Location	Customer	Year of Start Up	Contract Expiration	Number of Coke Ovens	Cokemaking Capacity (thousands of tons)	Use of Waste Heat
Owned and Operated:							
Jewell	Vansant, Virginia	Arcelor Mittal	1962	2020	142	720	Partially used for thermal coal drying
Indiana Harbor	East Chicago, Indiana	Arcelor Mittal	1998	2013	268	1,220	Heat for power generation
Haverhill Phase I	Franklin	Arcelor Mittal	2005	2020	100	550	Process steam
Phase II	Furnace, Ohio	AK Steel	2008	2022	100	550	Power generation
Granite City	Granite City, Illinois	U.S. Steel	2009	2025	120	650	Steam for power generation
Middletown	Middletown, Ohio	AK Steel	2011	2032	100	550	Power generation
Total					830	4,240	
Operated:							
Vitória	Vitória, Brazil	Arcelor Mittal	2007	2023	320	1,700	Steam for power generation
Total					1,150	5,940	

We are a technological leader in cokemaking. Our advanced heat recovery cokemaking process has numerous advantages over by-product cokemaking, including producing higher quality coke, using waste heat to generate derivative energy for resale and reducing environmental impact. The Clean Air Act Amendments of 1990 specifically directed the U.S. Environmental Protection Agency (EPA) to evaluate our heat recovery coke oven technology as a basis for establishing Maximum Achievable Control Technology (MACT), standards for new cokemaking facilities. In addition, each of the four cokemaking facilities that we have built since 1990 has either met or exceeded the applicable Best Available Control Technology (BACT), or Lowest Achievable Emission Rate (LAER) standards, as applicable, set forth by the EPA for cokemaking facilities. We direct our cokemaking marketing efforts principally towards steelmaking facilities that require high quality metallurgical coke for their blast furnaces.

We make substantially all of our coke sales pursuant to long-term take-or-pay coke sales agreements with ArcelorMittal, U.S. Steel and AK Steel, which are three of the largest integrated steelmakers in North America. For the year ended December 31, 2011, ArcelorMittal, our largest customer, accounted for approximately 64 percent of our total revenues. We expect this concentration to decrease to approximately 55 percent when our

Middletown facility is at full production in 2012. This reduction also reflects the impact of our settlement in January 2011 with ArcelorMittal regarding the Jewell coke sales agreement described in Item 3. Legal Proceedings. For the year ended December 31, 2011, U.S. Steel and AK Steel accounted for 18 percent and 14 percent of our total revenues, respectively. The take-or-pay provisions in our coke sales agreements require that our customers either take all of our coke production up to a specified tonnage maximum or pay the contract price for any such coke they elect not to accept. To date, our customers have always satisfied their obligations under these agreements. With the exception of our Jewell cokemaking facility, where we mine our own coal, all of our current coke sales agreements also provide for the pass-through of actual coal costs, subject to meeting contractual coal-to-coke yields. The coal cost component of the coke price under the Jewell coke sales agreement reflects a market price for coal based upon third-party coal purchases under our Haverhill-ArcelorMittal contract. These features of our coke sales agreements reduce our exposure to coal price changes over the remaining terms of these agreements. Our coke sales agreements also include provisions for the pass-through of operating costs, taxes and transportation costs, where applicable. Additionally, the coke sales agreements include a fixed fee per ton of coke sold to the customer determined at the time each coke sales agreement is signed and is effective for the term of each sales agreement.

In addition, we operate a cokemaking facility in Vitória, Brazil under licensing and operating agreements with affiliates of ArcelorMittal. Revenues are derived from licensing and operating fees based upon the level of production from our customer. Our revenues also include the full pass-through of the operating costs of the facility. We also receive an annual preferred dividend on our preferred stock investment in the Brazilian project company that owns the facility. In general, the facility must achieve certain minimum production levels for us to receive the preferred dividend.

Coal Mining Operations

Our underground metallurgical coal mining operations are located near our Jewell cokemaking facility. The acquisition of the HKCC Companies added between 250 thousand and 300 thousand tons of coal production annually and has the potential to expand production in the future. HKCC has 20 million tons of proven and probable coal reserves located in Russell and Buchanan Counties in Virginia, contiguous to our existing metallurgical coal mining operations.

Including the HKCC Companies, our mining operations consist of 14 active underground mines, two active surface mines and two active highwall mines as well as three preparation plants and four load-out facilities in Russell and Buchanan Counties, Virginia and McDowell County, West Virginia. Our coal mining operations have historically produced coal that possesses highly desirable coking properties: mid-volatility and low sulfur and ash content. Historically, substantially all of our mined coal has been used internally at our nearby Jewell cokemaking facility or at our other domestic cokemaking facilities. The operations of the recently acquired HKCC Companies produce high volatile A and high volatile B metallurgical coals, which can be blended with the mid-volatility coal produced by our existing coal mining operations, and high quality steam coal.

The majority of our reserves consist of coal seams ranging in thickness from two feet to four and a half feet, with the mining height ranging from three and a half feet to six feet. As a result of these relatively thin seams, all of our underground mines are operated via the room and pillar method and employ continuous mining equipment. We control a significant portion of our coal reserves through private leases. Substantially all of the leases are life of mine agreements that extend our mining rights until all reserves have been recovered. These leases convey mining rights to us in exchange for royalties and/or fixed fee payments.

All of the raw coal purchased at our Jewell coal mines is trucked to the central preparation plant. The trucking distance to the preparation plant varies by mine but averages approximately 20 miles. The raw coal is then processed through the 800 ton-per-hour preparation plant before it is shipped to our customers via rail, or transported to our adjacent Jewell cokemaking facility via conveyor. The rail loadout facility can load approximately 5,000 tons of coal per day. Most steelmakers require the blending of multiple metallurgical coals,

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up to eight or more in some cases, to meet coke quality requirements and avoid overexpansion of the coal blend in their coke ovens. Coal expansion can exert pressure on by-product coke ovens causing wall cracking or catastrophic failures. However, our coal can be used as a single coal blend to make high quality coke and is a contracting coal. When heated, our coal contracts and therefore does not place pressure on coke battery walls. Our coal also possesses other favorable properties generally preferred by customers. Although sulfur content can vary by seam, the average sulfur content of our coal varies between 0.7 percent and 1.0 percent. The ash content in our coal averages between 5.0 percent and 9.5 percent, and the volatile content of our coal ranges between 22 percent and 25 percent. We expect the metallurgical coal produced from our venture with Revelation Energy, LLC (Revelation), a contract surface mining operator, will have similar quality characteristics. Most of the high volatile A and high volatile B metallurgical coals of the HKCC Companies can be blended with the mid-volatility coal produced by our existing coal mining operations, sold to other companies for blending purposes or marketed as a premium utility coal.

Revenues from our Coal Mining operations are currently generated largely from sales of coal to our Jewell cokemaking facility for conversion into metallurgical coke. Some coal is also sold to our other domestic cokemaking facilities. In 2011, 72 percent of the coal we sold was used at our Jewell cokemaking facility and 6 percent was used at our other domestic cokemaking facilities. In 2010, 82 percent of the coal we sold was used at our Jewell cokemaking facility and 18 percent was used at our other domestic cokemaking facilities. Coal sales to third parties have historically been limited, but have increased as a result of the HKCC acquisition and were 22 percent of coal sold in 2011. Coal sales to third parties are expected to continue to increase as a result of our coal expansion project, described below. Intersegment coal revenues for sales to our Jewell Coke and Other Domestic Coke segments are based on prices that third parties or coke customers of our Other Domestic Coke segment have agreed to pay for our coal and which approximate the market price for the applicable quality of metallurgical coal. Most of the coal sales to these third parties and facilities are under contracts with one year terms, and, as a result, coal revenues lag the market for spot coal prices.

In 2011, we engaged Marshall Miller & Associates, Inc., a leading mining engineering firm, to conduct a new and comprehensive study to determine our proven and probable reserves for our coal mines. This study determined that we control proven and probable coal reserves of approximately 114 million tons as of December 31, 2011, which was an increase of 8 million tons from December 31, 2010. Without the addition of more coal reserves, we expect that our current reserves will sustain production levels through 2062.

We are implementing a coal expansion plan at our Jewell coal mining operations that we expect will increase our coal production from our underground mines. Coal production at our Jewell coal mining operations was 1.07 million tons in 2011, and we anticipate coal production to be approximately 1.15 million tons and 1.45 million tons in 2012 and 2013, respectively. We expect capital outlays for the expansion plan, primarily for new mining equipment, to total approximately $30 million. We spent approximately $11 million in 2011 and anticipate spending $10 million in 2012. Our coal expansion plan is contingent on market conditions, including the price of metallurgical coal.

In June 2011, we entered into a series of coal transactions with Revelation. Under a contract mining agreement, Revelation will mine certain coal reserves at our Jewell coal mining operations, of which 1.2 million tons is included in our current proven and probable reserve estimate. This coal will be mined, subject to obtaining necessary permits, over a three-year period beginning in the first quarter of 2012 and is expected to produce approximately 1.2 million tons of coal over such period. We anticipate 75 percent of production to be mid-volatility metallurgical coal and 25 percent to be thermal coal. In conjunction with this expansion project, we intend to build a state-of-the-art rapid train coal loading facility in the proximity of our Jewell coal mining operations at an expected cost of approximately $20 million, of which the majority is expected to be spent in 2012. Once completed, the throughput capacity of the loadout facility will be 2.6 million tons per year. The loadout facility will be operated by Revelation and rail service will be provided by Norfolk Southern.

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Seasonality

Our revenues are tied to long-term take-or-pay contracts, and as such are not seasonal. However, our profitability is tied to coal-to-coke yields, which improve in drier weather. Accordingly, the coal-to coke yield component of our profitability tends to be more favorable in the third quarter.

Raw Materials

Metallurgical coal is the principal raw material for our cokemaking operations. Except for our Jewell cokemaking facility, where we self-source substantially all of the metallurgical coal from our coal mining operations, most of the metallurgical coal used to produce coke at our domestic cokemaking facilities is purchased from third parties. We believe there is an ample supply of metallurgical coal available in the U.S. and worldwide, and we have been able to supply coal to our domestic cokemaking facilities without any significant disruption in coke production.

Each ton of coke produced at our facilities requires approximately 1.4 tons of metallurgical coal. In 2011, we purchased 4.8 million tons of metallurgical coal compared to 4.3 million tons in 2010. The increase was due primarily to the startup of the Middletown operations. Additionally, our Coal Mining segment mined 1.4 million tons, of which 1.1 million tons were used by our Jewell Coke segment and 0.3 million tons were sold to third parties.

Coal from third parties is generally purchased on an annual basis via one- to two-year contracts with costs passed through to our customers in accordance with the applicable coke sales agreements. From time to time, shortfalls in deliveries by coal suppliers require us to procure supplemental coal volumes. As with typical annual purchases, the cost of these supplemental purchases is also passed through to our customers.

While we generally pass coal costs through to our coke customers, all of our contracts include some form of coal-to-coke yield standard. To the extent that our actual yields are less than the standard in the contract, we are at risk for the cost of the excess coal used in the cokemaking process. Conversely, to the extent actual yields are higher than contractual standards, we are able to realize gains.

Most coal contract decisions are made through a coal committee structure with customer participation. The customer can generally exercise an overriding vote on most coal procurement decisions.

Transportation and Freight

For inbound transportation of coal purchases, our facilities that access a single rail provider have long-term transportation, and where necessary, coal-blending agreements that run concurrently with the associated coke sales agreement for the facility. At facilities with multiple transportation options, including rail and barge, we enter into short-term transportation contracts from year to year. For coke sales, the point of delivery varies by agreement and facility. The point of delivery for coke sales to subsidiaries of ArcelorMittal from our Jewell and Haverhill cokemaking facilities is generally designated by the customer and shipments are made by railcar under long-term transportation agreements held by us. All delivery costs are passed through to the customers. Sales to AK Steel from our Haverhill cokemaking facility are made with the customer arranging for transportation. At our Middletown, Indiana Harbor and Granite City cokemaking facilities, coke is delivered primarily by a conveyor belt leading to the customer s blast furnace. External transportation and freight costs are not material to our Coal Mining segment.

Research and Development and Intellectual Property and Proprietary Rights

Our research and development program seeks to develop promising new technologies for cokemaking as well as improvements to our cokemaking and heat recovery processes. Over the years, this program has produced numerous patents related to our heat recovery coking design and operation, including patents for pollution control systems, oven pushing and charging mechanisms, oven flue gas control mechanisms and various others. In total, we have ten active patents with expiration dates ranging from one year to nearly nineteen years.

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For those cokemaking facilities where we do not own 100 percent of the entity owning the cokemaking facility (Indiana Harbor and Vitória, Brazil), we have licensing agreements in place for the entity s use of our technology. At Indiana Harbor, we receive no payment for the licensing rights. At Vitória, we receive a licensing fee that is payable in conjunction with the operation of the facility. In the future, and especially in international markets, we may develop projects under similar structures where we do not own 100 percent of the facility but operate the facility and license our technology in exchange for fees.

Competition

Cokemaking

The metallurgical cokemaking business is highly competitive. Most of the world s coke production capacity is owned by integrated steel companies utilizing by-product coke oven technology. The international merchant coke market is largely supplied by Chinese producers.

Current production from our cokemaking business is largely committed under long-term contracts; therefore, competition mainly affects our ability to obtain new contracts supporting development of additional cokemaking capacity, both in the United States and internationally. The principal competitive factors affecting our cokemaking business include coke quality and price, technology, reliability of supply, proximity to market, access to metallurgical coals and environmental performance. Competitors include by-product coke oven engineering and construction companies, other merchant coke producers and competitors that have developed and are attempting to develop non-recovery and heat recovery cokemaking technology. Specifically, Chinese and Indian companies have successfully designed and built non-recovery and heat recovery facilities in China and India for local steelmakers. Some of these design firms operate only on a local or regional basis while others, such as certain Chinese, German and Italian design companies, operate globally.

There are also technologies being developed or in the process of commercialization that seek to produce carbonaceous substitutes for coke in the blast furnace or molten iron without a blast furnace (alternative ironmaking techniques). We monitor the development of competing technologies, and it is unclear to us at this time whether these technologies will be successful in commercialization.

We believe we are well-positioned to compete with other coke producers given that our proven, industry-leading technology with many proprietary features allows us to construct cokemaking facilities that, when compared to other proven technologies, produce virtually no organic hazardous air pollutants, produce consistently high quality coke and produce ratable quantities of heat that can be utilized as industrial grade steam or converted into electrical power.

Coal Mining

During the last several years, the U.S. coal industry has experienced increased consolidation. Many of our competitors in the domestic coal industry have significantly greater financial resources than we do. Intense competition among coal producers may impact our ability to retain or attract customers and adversely affect our future revenues and profitability.

Domestic demand for, and the price of, our coal depends primarily upon metallurgical coal consumption patterns of the domestic steel industry. Metallurgical coal prices are also impacted by global supply and demand factors. The economic stability of the domestic steel industry has a significant effect on the demand for metallurgical coal and the level of competition among metallurgical coal producers. Instability in the domestic steel industry or a reduction in global demand, resulting in a decline in the metallurgical coal market, could materially and adversely affect our future revenues and profitability. The principal competitive factors affecting our coal business include coal quality and characteristics, price, reliability of supply and transportation cost.

Employees

As of December 31, 2011, we have approximately 1,160 employees in the United States. Approximately 320, or 28 percent, of our domestic employees, principally at our cokemaking operations, are currently represented by the United Steelworkers under various contracts. The collective bargaining agreements with respect to our Indiana Harbor and Haverhill cokemaking facilities expire on September 1, 2012 and November 1, 2012, respectively. As of December 31, 2011, we have approximately 210 employees at the cokemaking facility in Vitória, Brazil, all of whom are represented by a union under an agreement that expires on October 31, 2012.

Legal and Regulatory Requirements

The following discussion summarizes the principal legal and regulatory requirements that we believe may significantly affect us.

Permitting and Bonding

Permitting Process for Coal Mining Operations. The U.S. coal mining permit application process is initiated by collecting baseline data to adequately characterize, assess and model the pre-mine environmental condition of the permit area, including geologic data, soil and rock structures, cultural resources, soils, surface and ground water hydrology, and coal that we intend to mine. We use all of this data to develop a mine and reclamation plan, which incorporates the provisions of the Surface Mining Control and Reclamation Act of 1977 (SMCRA), state programs and complementary environmental programs that impact coal mining. The permit application includes the mine and reclamation plan, documents defining ownership and agreements pertaining to coal, minerals, oil and gas, water rights, rights of way and surface land and documents required by the Office of Surface Mining Reclamation and Enforcement s (OSM s) Applicant Violator System. Once a permit application is submitted to the regulatory agency, it goes through a completeness and technical review before a public notice and comment period. Some SMCRA mine permits take over a year to prepare, depending on the size and complexity of the mine, and often take six months to two years to be issued. Regulatory authorities have considerable discretion in the timing of the permit issuance and the public has the right to comment on and otherwise engage in the permitting process, including through public hearings and intervention in the courts.

Bonding Requirements. Before a SMCRA permit is issued, a mine operator must submit a bond or other form of financial security to guarantee the payment and performance of certain long-term mine closure and reclamation obligations. The costs of these bonds or other form of financial security have fluctuated in recent years and the market terms of surety bonds generally have become more unfavorable to mine operators. Surety providers are requiring greater amounts of collateral to secure a bond, which has required us to provide increasing quantities of cash to collateralize bonds or other forms of financial security to allow us to continue mining. These changes in the terms of the bonds have been accompanied, at times, by a decrease in the number of companies willing to issue surety bonds. As of December 31, 2011, we have posted an aggregate of approximately $31.2 million in surety bonds or other forms of financial security for reclamation purposes.

Permitting Process for Cokemaking Facilities. While the permitting process for our cokemaking facilities is administered by the individual states, the main requirements for obtaining environmental construction permits are found in federal regulations. If all requirements are satisfied, a state or local agency produces a draft permit and supporting documents for public review and comment. The EPA also has the opportunity to comment on the draft permit. The state or local agency responds to comments on the draft permit and may make revisions before a final construction permit is issued. The permit allows construction and commencement of operations of the facility and is generally valid for 18 months. Generally, construction must commence during this period, while some states allow this period to be extended in certain situations.

Air quality. Cokemaking facilities must employ MACT standards. Specific MACT standards apply to door leaks, charging, oven pressure, pushing and quenching. Certain MACT standards for new cokemaking facilities were developed using test data from our own Jewell cokemaking facility.

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Under federal air quality regulations, permitting requirements differ depending upon whether the cokemaking facility will be located in an attainment area i.e., one that meets the National Ambient Air Quality Standards (NAAQS), for certain pollutants, or in a non-attainment area:

In an attainment area, the facility must install air pollution control equipment or employ BACT. The facility must demonstrate, using air dispersion modeling, that the area will still meet NAAQS after the facility is constructed. An additional impacts analysis must be performed to evaluate the effect of the new facility on air, ground and water pollution.

In a non-attainment area, the facility must install air pollution control equipment or employ procedures that meet LAER standards. LAER standards are the most stringent emission limitation achieved in practice by existing facilities. Cost is generally not considered as part of a LAER analysis. Emissions of any pollutant in a non-attainment area must be offset by emission reductions obtained from existing sources located in the vicinity of the facility.

Two new and more stringent NAAQS for ambient nitrogen dioxide and sulfur dioxide went into effect in 2010, although these are being challenged in court. These new standards have two impacts on permitting: (1) demonstrating compliance using dispersion modeling from a new facility will be more difficult and (2) many areas of the country will become non-attainment areas requiring states to implement emission reduction plans that bring the areas into attainment.

In May 2010, the EPA finalized a new rule requiring a new facility that is a major source of greenhouse gases (primarily carbon dioxide in the case of our facilities) to install equipment or employ BACT procedures. Currently, there is little information on what may be acceptable as BACT to control greenhouse gases.

Several states have additional requirements and standards for compounds other than those in federal rules. Many states have lists of air toxics with emission limitations determined by dispersion modeling. States also often have specific regulations that deal with visible emissions, odors and nuisance. In some cases, the state delegates some or all of these functions to local agencies.

Wastewater. Our cokemaking facilities generally do not require a wastewater discharge permit other than a storm water permit.

Solid waste. The primary solid waste product from our heat recovery cokemaking technology is calcium sulfate from the flue gas desulfurization operation, which is generally taken to a landfill.

U.S. Endangered Species Act. The Endangered Species Act and certain counterpart state legislations are intended to protect species whose populations allow for categorization as either endangered or threatened. Based on the species that have been identified on our properties and the current application of these laws and regulations, we do not believe that they are likely to have a material adverse effect on our operations.

Regulation of Operations

Clean Air Act. The Clean Air Act and similar state laws and regulations affect our coal mining and cokemaking operations, primarily through permitting and/or emissions control requirements relating to particulate matter and sulphur dioxide control. The Clean Air Act air emissions programs that may affect our operations, directly or indirectly, include, but are not limited to: the Acid Rain Program; NOx SIP Call; the Clean Air Interstate Rule; MACT emissions limits for hazardous air pollutants; the Regional Haze Program; New Source Performance Standards (NSPS); and New Source Review. It is possible that more stringent NAAQS for particulate matter, nitrogen dioxide, sulfur dioxide and ozone will directly impact our mining operations by requiring additional controls of emissions from our mining equipment and vehicles. In addition, in September 2009, the EPA adopted new NSPS rules tightening and adding additional particulate matter emissions limits for coal preparation and processing plants constructed, reconstructed or modified after April 28, 2008.

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MACT Standards. The Clean Air Act requires regulation of hazardous air pollutants through the development and promulgation of various industry-specific MACT standards. Our cokemaking facilities are subject to the MACT standards for pushing and quenching. The EPA was required to make a risk-based determination for pushing and quenching emissions and determine whether additional emissions reductions are necessary from this process by 2011. The EPA has yet to publish or propose any residual risk standards from these operations; therefore, the impact cannot be estimated at this time.

Clean Water Act of 1972. The Clean Water Act (CWA) affects our operations by requiring effluent limitations and treatment standards for waste water discharge through the National Pollutant Discharge Elimination System (NPDES). Regular monitoring, reporting requirements and performance standards are requirements of NPDES permits that govern the discharge of pollutants into water. In addition, Section 404 of the CWA requires mining companies to obtain U.S. Army Corps of Engineers permits to place material in streams for the purpose of creating slurry ponds, water impoundments, refuse areas, valley fills or other mining activities. Through the CWA Section 401 certification program, states have approval authority over federal permits or licenses that might result in a discharge to their waters. Total Maximum Daily Load (TMDL) regulations established a process by which states designate stream segments as impaired (not meeting present water quality standards). Industrial dischargers, including coal mines, may be required to meet new TMDL effluent standards for these stream segments. States are also adopting anti-degradation regulations in which a state designates certain water bodies or streams as high quality/exceptional use. These CWA requirements could result in higher water treatment and permitting costs or permit delays, which could adversely affect our coal production costs or efforts.

Resource Conservation and Recovery Act. We may generate wastes, including solid wastes and hazardous wastes that are subject to the Resource Conservation and Recovery Act (RCRA), and comparable state statutes. The EPA has limited the disposal options for certain wastes that are designated as hazardous wastes under RCRA. Furthermore, it is possible that certain wastes generated by our operations that currently are exempt from regulation as hazardous wastes may in the future be designated as hazardous wastes, and therefore be subject to more rigorous and costly management, disposal and clean-up requirements.

Mine Improvement and New Emergency Response Act of 2006. The Mine Improvement and New Emergency Response Act of 2006 (the Miner Act), has increased significantly the enforcement of safety and health standards and imposed safety and health standards on all aspects of mining operations. There also has been a dramatic increase in the dollar penalties assessed for citations issued.

Use of Explosives. Our limited surface mining operations are subject to numerous regulations relating to blasting activities. Pursuant to these regulations, we incur costs to design and implement blast schedules and to conduct pre-blast surveys and blast monitoring. In addition, the storage of explosives is subject to strict regulatory requirements established by four different federal regulatory agencies.

Reclamation and Remediation

Surface Mining Control and Reclamation Act of 1977. The SMCRA established comprehensive operational, environmental, reclamation and closure standards for all aspects of U.S. surface mining as well as many aspects of deep mining. Where state regulatory agencies have adopted federal mining programs under SMCRA, the state becomes the regulatory authority, and states that operate federally approved state programs may impose standards that are more stringent than the requirements of SMCRA. Permitting under SMCRA generally has become more difficult in recent years, which adversely affects the cost and availability of coal. The Abandoned Mine Land Fund, which is part of SMCRA, assesses a fee on all coal produced in the U.S. From October 1, 2007 through September 30, 2012, the fee is $0.315 per ton of surface-mined coal and $0.135 per ton of underground mined coal. From October 1, 2012 through September 30, 2021, the fee will be reduced to $0.28 per ton of surface-mined coal and $0.12 per ton of underground mined coal. Our reclamation obligations under applicable environmental laws could be substantial. Under GAAP, we are required to account for the costs related to the closure of mines and the

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reclamation of the land upon exhaustion of coal reserves. The fair value of an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The present value of the estimated asset retirement costs is capitalized as part of the carrying amount of the long-lived asset. At December 31, 2011, we had accrued $6.2 million related to estimated mine reclamation costs. The amounts recorded are dependent upon a number of variables, including the estimated future retirement costs, estimated proven reserves, assumptions involving profit margins, inflation rates, and the assumed credit-adjusted interest rates. Our future operating results would be adversely affected if these accruals were determined to be insufficient. These obligations are unfunded. Further, although specific criteria varies from state to state as to what constitutes an owner or controller relationship, under SMCRA the responsibility for reclamation or remediation, unabated violations, unpaid civil penalties and unpaid reclamation fees of independent contract mine operators can be imputed to other companies which are deemed, according to the regulations, to have owned or controlled the contract mine operator. Sanctions are quite severe and can include being denied new permits, permit amendments, permit revisions and revocation or suspension of permits issued since the violation or penalty or fee due date.

Comprehensive Environmental Response, Compensation, and Liability Act. Under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), also known as Superfund, and similar state laws, responsibility for the entire cost of clean-up of a contaminated site, as well as natural resource damages, can be imposed upon current or former site owners or operators, or upon any party who released one or more designated hazardous substances at the site, regardless of the lawfulness of the original activities that led to the contamination. In the course of our operations we may have generated and may generate wastes that fall within CERCLA s definition of hazardous substances. We also may be an owner or operator of facilities at which hazardous substances have been released by previous owners or operators. Under CERCLA, we may be responsible for all or part of the costs of cleaning up facilities at which such substances have been released and for natural resource damages. We also must comply with reporting requirements under the Emergency Planning and Community Right-to-Know Act and the Toxic Substances Control Act.

Other Regulatory Requirements

Black Lung Benefits Revenue Act of 1977 and Black Lung Benefits Reform Act of 1977, as amended in 1981. Under these laws, each U.S. coal mine operator must pay federal black lung benefits and medical expenses to claimants who are current and former employees and last worked for the operator after July 1, 1973. Coal mine operators also must make payments to a trust fund for the payment of benefits and medical expenses to claimants who last worked in the coal industry prior to July 1, 1973. The trust fund is funded by an excise tax on U.S. coal production of up to $1.10 per ton for deep-mined coal and up to $0.55 per ton for surface-mined coal, neither amount to exceed 4.4 percent of the gross sales price. The Patient Protection and Affordable Care Act (PPACA), which was implemented in 2010, amended previous legislation and provides for the automatic extension of awarded lifetime benefits to surviving spouses and changes the legal criteria used to assess and award claims. Our obligation related to black lung benefits is estimated based on various assumptions, including actuarial estimates, discount rates, changes in health care costs and the impact of PPACA.

Climate Change Legislation and Regulations. The EPA has issued a notice of finding and determination that emissions of carbon dioxide, methane (from coal mines, for example) and other greenhouse gases present an endangerment to human health and the environment, which allows the EPA to begin regulating emissions of greenhouse gases under existing provisions of the Clean Air Act. The EPA has begun to implement greenhouse gas-related reporting and permitting rules. The impact of greenhouse gas-related legislation and regulations on us will depend on a number of factors, including but not limited to whether greenhouse gas sources in multiple sectors of the economy are regulated, the overall greenhouse gas emissions cap level, offsets, emission allowances and the indirect impact of carbon regulation on coal prices. We may not recover all costs related to compliance with regulatory requirements imposed on us from our customers due to limitations in our agreements. The imposition of a carbon tax or similar regulation could materially and adversely affect our revenues.

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Environmental Matters and Compliance

Failure to comply with the aforementioned requirements may result in the assessment of administrative, civil and criminal penalties, the imposition of clean-up and site restoration costs and liens, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits, and other enforcement measures that could have the effect of limiting production from our operations.

The EPA has issued Notices of Violations (NOVs) for our Haverhill and Granite City cokemaking facilities which stem from alleged violations of our air emission operating permits for these facilities. We are currently working in a cooperative manner with the EPA and the Illinois Environmental Protection Agency to address the allegations. Settlement may require payment of a penalty for alleged past violations as well as undertaking capital projects to improve reliability of the energy recovery systems and enhance environmental performance at our Haverhill and Granite City facilities. As a result of our recent discussions with the EPA, we expect these projects to cost approximately $80 million to $100 million and to be carried out over the 2012 through 2016 time period. The majority of the spending is expected to take place from 2013 to 2016, although some spending may occur in 2012 depending on the timing of the settlement. The final cost of the projects will be dependent upon the ultimate outcome of discussions with regulators. We are currently engaged in penalty negotiations that may result in a penalty exceeding $100,000, but have not yet agreed to an amount.

In addition, we have received an NOV from the EPA related to our Indiana Harbor cokemaking facility. After initial discussions with the EPA and the Indiana Department of Environmental Management (IDEM), resolution of the NOV was postponed by mutual agreement because of ongoing discussions regarding the NOVs at the Haverhill and Granite City cokemaking facilities. In January 2012, we began working in a cooperative manner to address the allegations with the EPA, the IDEM and Cokenergy, an independent power producer that owns and operates an energy facility, including heat recovery equipment, a flue gas desulfurization system and a power generation plant, that processes hot flue gas from our Indiana Harbor facility to produce steam and electricity and to reduce the sulfur and particulate content of such flue gas. Settlement may require payment of a penalty for alleged past violations as well as undertaking capital projects to enhance environmental performance. At this time, we cannot yet assess any future injunctive relief or potential monetary penalty and any potential future citations.

See also Note 17 to our Combined and Consolidated Financial Statements.

On February 9, 2010, the Ohio Department of Environmental Protection (OEPA) issued a New Source Review permit-to-install (NSR PTI) for our Middletown cokemaking facility. During the 30-day statutory appeal period ending March 11, 2010, four parties, including the City of Monroe, Ohio, Robert D. Snook, a pro se litigant, the National Resources Defense Council, and individuals affiliated with the SunCoke Watch opposition group, filed appeals at the Ohio Environmental Review Appeals Commission (ERAC), challenging OEPA s issuance of the NSR PTI. Discovery, expert discovery and depositions have concluded with respect to this matter and dispositive motions have been filed. In late 2011, ERAC agreed to a continuance of the hearing from early 2012 until May 2012 so that the parties could continue settlement negotiations. In February 2012, we reached an agreement in principle with the parties and are finalizing the terms of a settlement agreement. The terms of the agreement are not material to the combined and consolidated financial position, results of operations or cash flow of the Company at December 31, 2011. Our Middletown cokemaking facility commenced operations in October 2011.

Available Information

We make available free of charge on our website, www.suncoke.com, all materials that we file electronically with the Securities and Exchange Commission (SEC), including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and any amendments to such reports as soon as reasonably practicable after such materials are electronically filed with, or furnished to, the SEC.

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Executive Officers of the Registrant

Our executive officers and their ages as of February 20, 2012 were as follows:

Name	Age	Position
Frederick A. Henderson	53	Chairman and Chief Executive Officer
Michael J. Thomson	53	President and Chief Operating Officer
Denise R. Cade	49	Senior Vice President, General Counsel and Corporate Secretary
Mark E. Newman	48	Senior Vice President and Chief Financial Officer
Fay West	42	Vice President and Controller

Frederick A. Henderson. Mr. Henderson was elected as Chairman and Chief Executive Officer of SunCoke Energy, Inc. in December 2010. He also served as a Senior Vice President of Sunoco (a petroleum refiner and chemicals manufacturer with interests in logistics) from September 2010 until the IPO. From February 2010 until September 2010, he was a consultant for General Motors LLC, and from March 2010 until August 2010, he was a consultant for AlixPartners LLC (a business consulting firm). He was President and Chief Executive Officer of General Motors (a global automotive company) from April 2009 until December 2009. He was President and Chief Operating Officer of General Motors from March 2008 until March 2009. He was Vice Chairman and Chief Financial Officer of General Motors from January 2006 until February 2008. He was Chairman of General Motors Europe from June 2004 until December 2005. Mr. Henderson is a director of Compuware Corp. (a technology performance company), where he serves on its audit committee. Mr. Henderson is also Trustee of the Alfred P. Sloan Foundation.

Michael J. Thomson. Mr. Thomson was appointed President and Chief Operating Officer, SunCoke Energy, Inc., in December 2010. Since May 2008, he had been President, SunCoke Technology and Development LLC. He was Vice President, Sunoco (a petroleum refiner and chemicals manufacturer with interests in logistics) and Executive Vice President, SunCoke Technology and Development LLC from March 2007 to May 2008 and held the additional position of Chief Operating Officer of SunCoke Technology and Development LLC from January 2008 to May 2008. He also served as a Senior Vice President of Sunoco from May 2008 until the IPO. He was President of PSEG Fossil LLC, a subsidiary of Public Service Enterprise Group Incorporated (a diversified energy group), from August 2003 to February 2007.

Denise R. Cade. Ms. Cade was appointed Senior Vice President and General Counsel of SunCoke Energy, Inc. in March 2011 and was elected Corporate Secretary of SunCoke Energy, Inc. in June 2011. Prior to joining SunCoke Energy, Inc., Ms. Cade was with PPG Industries, Inc. (PPG) (a coatings and specialty products company) from March 2005 to March 2011. At PPG, she served as Assistant General Counsel and Corporate Secretary from July 2009 until March 2011, as Corporate Counsel, Securities and Finance, from September 2007 until July 2009, and as Chief Mergers and Acquisition Counsel and General Counsel of the glass and fiber glass division from March 2005 until September 2007. Ms. Cade began her legal career in private practice in 1990, specializing in corporate and securities law matters and corporate transactions. She was a partner at Shaw Pittman LLP in Washington, D.C. before her move to PPG.

Mark E. Newman. Mr. Newman was appointed Senior Vice President and Chief Financial Officer of SunCoke Energy, Inc. in March 2011. From May 2008 until February 2011, Mr. Newman was Vice President, Remarketing, Ally Financial, Inc. (an automotive financial services company) and managing director of SmartAuction (Ally Financial s online used vehicle auction). Mr. Newman was GM North America Vice President and Chief Financial Officer and Vice Chairman, GMAC Bank, of GMAC Financial Services LLC (an automotive financial services company) from January 2007 until April 2008. He was GM North America Vice President and CFO of General Motors Corporation (a global automotive company) from February 2006 until December 2006 and was Assistant Treasurer and General Director of General Motors Corporation from August 2002 until January 2006. Mr. Newman was Vice President and CFO of Shanghai General Motors Ltd. from November 1999 until July 2002 and was Director, Investor Relations of General Motors Corporation from September 1998 until October 1999.

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Fay West. Ms. West was appointed Vice President and Controller of SunCoke Energy, Inc. in February 2011. Prior to joining us, she was Assistant Controller at United Continental Holdings, Inc. (an airline holding company) from April 2010 to January 2011. She was Vice President, Accounting and Financial Reporting for PepsiAmericas, Inc. (a manufacturer and distributor of beverage products) from December 2005 through March 2010.

Item 1A. Risk Factors

In addition to the other information included in this Annual Report on Form 10-K, the following risk factors should be considered in evaluating our business and future prospects. These risk factors represent what we believe to be the known material risk factors with respect to us and our business. Our business, operating results, cash flows and financial condition are subject to these risks and uncertainties, any of which could cause actual results to vary materially from recent results or from anticipated future results.

Unfavorable economic conditions may cause our customers to reduce their demand for our products or default on their obligations to us, both of which could adversely affect our cash flows, financial position or results of operations.

Economic conditions in the United States and throughout much of the world experienced a sudden, sharp downturn in 2008 and 2009. If such unfavorable economic conditions were to occur again, certain of our metallurgical coke customers may reduce their demand for our coke and coal, seek to delay shipments, or may struggle or fail to meet their obligations to us, especially if they experience defaults on receivables due from their customers. Our steel industry customers experience significant fluctuations in demand for steel products because of economic conditions, consumer demand, raw material and energy costs, and decisions by the U.S. federal and state governments to fund or not fund infrastructure projects, such as highways, bridges, schools, energy plants, railroads and transportation facilities. Unfavorable economic conditions, including the reduced availability of credit, may cause a reduction in the demand for steel products, which, in turn, could adversely affect our customers demand for our products. During periods of weak demand for steel or coal, our customers may seek to renegotiate or cancel their existing coke and coal purchase commitments to us, or decline to renew existing agreements with us when such agreements expire. As a result, we may not be able to sell all the coke and coal that we produce.

Future disruptions of the credit markets may result in financial instability of some of our customers and, in some cases, lead to their insolvency and/or bankruptcy. Such instability could cause our customers to default on their obligations to us. In addition, competition with other suppliers of coke or coal could force us to extend credit to customers and on terms that could increase the risk of payment default. Any of these events ultimately could have an adverse effect on our cash flows, financial position or results of operations.

We are subject to extensive laws and regulations, which may increase our cost of doing business and have an adverse effect on our cash flows, financial position or results of operations.

Environmental, Health and Safety Laws

Our operations are subject to increasingly strict regulation by federal, state and local authorities with respect to protection of the environment and health and safety matters, including those legal requirements pursuant to the Clean Air Act and other laws that govern discharges of substances into the air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites, the protection of groundwater quality and availability, plant and wildlife protection, reclamation and restoration of properties after mining or drilling is completed, the installation of various safety equipment in our facilities, control of surface subsidence from underground mining protection of employee health and safety. Complying with these requirements, including the terms of our permits, can be costly and time-consuming, and may delay commencement or continuation of exploration or production operations.

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Failure to comply with these regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of cleanup and site restoration costs and liens, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits and other enforcement measures that could limit our operations. We may not have been, or may not be, at all times, in complete compliance with all of these requirements, and we may incur material costs or liabilities in connection with these requirements, or in connection with remediation at sites we own, or third-party sites where it has been alleged that we have liability, in excess of the amounts we have accrued. In addition, these requirements are complex, change frequently and have tended to become more stringent over time. These requirements may change in the future in a manner that could have a material adverse effect on our business. For a description of certain environmental laws and matters applicable to us, see Item 1. Business Legal and Regulatory Requirements.

In addition, greenhouse gas emissions may be subject to future federal regulation. The EPA has begun to implement greenhouse gas-related reporting and permitting rules, and the U.S. Congress has considered cap and trade legislation that would establish an economy-wide cap on emissions of greenhouse gases and require most sources of greenhouse gas emissions to obtain greenhouse gas emission allowances corresponding to their annual emissions of greenhouse gases. Federal or state regulations requiring us, or our customers, to employ expensive technology to capture and sequester carbon dioxide could adversely affect our future revenues, or profitability.

Healthcare Laws

The Patient Protection and Affordable Care Act, or PPACA , which was implemented in 2010, amended previous legislation related to coal workers black lung obligations. PPACA provides for the automatic extension of awarded lifetime benefits to surviving spouses and changes the legal criteria used to assess and award claims. Our obligation related to black lung benefits is estimated based on various assumptions, including actuarial estimates, discount rates, and changes in health care costs. The impact of the PPACA in 2011, based on available trend rates and other current information, was approximately $2.0 million.

Equipment upgrades, equipment failures and deterioration of assets may lead to production curtailments, shutdowns or additional expenditures.

Our cokemaking and coal mining operations depend upon critical pieces of equipment that occasionally may be out of service for scheduled upgrades or maintenance or as a result of unanticipated failures. Our facilities are subject to equipment failures and the risk of catastrophic loss due to unanticipated events such as fires, accidents or violent weather conditions. As a result, we may experience interruptions in our processing and production capabilities, which could have a material adverse effect on our results of operations and financial condition.

In addition, assets critical to the operations of our cokemaking and coal mining operations, including our cokemaking facilities and equipment and our coal mines, may deteriorate or become depleted materially sooner than we currently estimate. Such deterioration of assets may result in additional maintenance spending or additional capital expenditures. If these assets do not generate the amount of future cash flows that we expect, and we are not able to procure replacement assets in an economically feasible manner, our future results of operations may be materially and adversely affected.

We are also required to perform impairment tests on our assets whenever events or changes in circumstances lead to a reduction of the estimated useful life or estimated future cash flows that would indicate that the carrying amount may not be recoverable or whenever management s plans change with respect to those assets. If we are required to incur impairment charges in the future, our results of operations in the period taken could be materially and adversely affected.

We may be unable to obtain, maintain or renew permits or leases necessary for our operations, which could materially reduce our production, cash flow or profitability.

Our cokemaking facilities and coal mining operations require us to obtain a number of permits that impose strict regulations on various environmental and operational matters in connection with cokemaking and coal mining. These include permits used by various federal, state and local agencies and regulatory bodies. The permitting rules, and the interpretations of these rules, are complex, change frequently, and are often subject to discretionary interpretations by our regulators, all of which may make compliance more difficult or impractical, and may possibly preclude the continuance of ongoing operations or the development of future cokemaking facilities or coal mines. The public, including non-governmental organizations, environmental groups and individuals, have certain statutory rights to comment upon and submit objections to requested permits and environmental impact statements prepared in connection with applicable regulatory processes, and otherwise engage in the permitting process, including bringing citizen s lawsuits to challenge the issuance of permits, the validity of environmental impact statements or performance of cokemaking or coal mining activities. For example, environmental groups have challenged our permit-to-install for our Middletown, Ohio facility on the basis that the facility fails to satisfactorily meet the requirements of the Clean Air Act. See Item 1. Business Legal and Regulatory Requirements Environmental Matters and Compliance. If this challenge succeeds, or any permits or leases are not issued or renewed in a timely fashion or at all, or if permits issued or renewed are conditioned in a manner that restricts our ability to efficiently and economically conduct our cokemaking or coal mining operations, our cash flows or profitability could be materially and adversely affected.

Our businesses are subject to inherent risks, some for which we maintain third-party insurance and some for which we self-insure. We may incur losses and be subject to liability claims that could have a material adverse effect on our financial condition, results of operations or cash flows.

We maintain insurance policies that provide limited coverage for some, but not all, of the potential risks and liabilities associated with our businesses. For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive relative to the risks presented. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. As a result, we may not be able to renew our existing insurance policies or procure other desirable insurance on commercially reasonable terms, if at all. In addition, certain environmental and pollution risks generally are not fully insurable. Even where insurance coverage applies, insurers may contest their obligations to make payments. Our financial condition, results of operations and cash flows could be materially and adversely affected by losses and liabilities from un-insured or under-insured events, as well as by delays in the payment of insurance proceeds, or the failure by insurers to make payments.

We also may incur costs and liabilities resulting from claims for damages to property or injury to persons arising from our operations. We must compensate employees for work-related injuries. If we do not make adequate provision for our workers compensation liabilities, it could harm our future operating results. If we are pursued for these sanctions, costs and liabilities, our operations and our profitability could be adversely affected.

Our operating results have been and may continue to be affected by fluctuations in our costs of production, and, if we cannot pass increases in our costs of production to our customers, our financial condition, results of operations and cash flows may be negatively affected.

Over the course of the last two to three years, many of the components of our cost of produced coke and coal revenues, including cost of supplies, equipment and labor, have experienced significant price inflation, and such price inflation may continue in the future. Our coal mining operations, for example, require a reliable supply of mining and industrial equipment, replacement parts, fuel and steel-related products, including roof control and lubricants. The supplier base providing such mining materials and equipment has been relatively consistent in recent years, although there continues to be consolidation, resulting in a situation where purchases of certain

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underground mining equipment are concentrated in single suppliers. The price of such components is also highly volatile. Our profit margins may be reduced and our financial condition, results of operations and cash flows may be adversely affected if the costs of production increase significantly and we cannot pass such increases in our costs of production to our customers.

If we fail to maintain satisfactory labor relations, we may be adversely affected. Union represented labor creates an increased risk of work stoppages and higher labor costs.

If some, or all, of our non-union operations become unionized, we may be subject to an increased risk of work stoppages, other labor disputes and higher labor costs, which may adversely affect the stability of production and reduce our future revenues, or profitability. Legislation has been proposed to the U.S. Congress to enact a law allowing for workers to choose union representation solely by signing election cards, which would eliminate the use of secret ballots to elect union representation. While the impact is uncertain, if such legislation is enacted into law, it will be administratively easier for labor unions to organize into collective bargaining units and may lead to more of our operations becoming unionized.

We have obligations for long-term employee plan benefits that may involve expenses that are greater than we have assumed.

We are required to provide various long-term employee benefits to retired employees and current employees who will retire in the future. At December 31, 2011, these obligations included:

- pension benefits of $35.8 million; and
- postretirement medical and life insurance of $49.7 million.

We have estimated certain of these unfunded obligations based on actuarial assumptions described in the notes to our financial statements. However, if our assumptions are inaccurate, we could be required to expend materially greater amounts than anticipated. Approximately 84 percent of the pension benefits were funded on an accounting basis at December 31, 2011, while the post-retirement medical and life insurance obligations are unfunded. If we are required to expend materially greater amounts than anticipated, it could have a material and adverse effect on our financial condition, results of operations and cash flows.

We currently are, and likely will be, subject to litigation, the disposition of which could have a material adverse effect on our cash flows, financial position or results of operations.

The nature of our operations exposes us to possible litigation claims in the future, including disputes relating to our operations and commercial and contractual arrangements. Although we make every effort to avoid litigation, these matters are not totally within our control. We will contest these matters vigorously and have made insurance claims where appropriate, but because of the uncertain nature of litigation and coverage decisions, we cannot predict the outcome of these matters. In January 2011, we settled a significant litigation matter with certain operating subsidiaries of ArcelorMittal USA, the customer purchasing coke from our Jewell cokemaking facility. Litigation is very costly, and the costs associated with prosecuting and defending litigation matters could have a material adverse effect on our financial condition and profitability. In addition, our profitability or cash flow in a particular period could be affected by an adverse ruling in any litigation currently pending in the courts or by litigation that may be filed against us in the future. We are also subject to significant environmental and other government regulation, which sometimes results in various administrative proceedings.

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the senior notes and the credit facilities.

We have a significant amount of indebtedness. As of December 31, 2011, our total debt was approximately $726.4 million, excluding $150.0 million of unused commitments under the credit facilities. Additionally, the credit agreement provides for up to $75.0 million in uncommitted incremental facilities that are available subject to the satisfaction of certain conditions, $30.0 million of which was outstanding as of December 31, 2011.

Subject to the limits contained in the credit agreement that governs the credit facilities (which term includes our new revolving, term loan and incremental facilities), the Indenture that governs the notes and our other debt instruments, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our high level of debt could intensify. Specifically, our high level of debt could have important consequences, including:

- making it more difficult for us to satisfy our obligations with respect to the notes and our other debt;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under the credit facilities, are at variable rates of interest;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;
- placing us at a competitive disadvantage to other, less leveraged competitors; and
- increasing our cost of borrowing.

In addition, the indenture that governs the notes and the credit agreement governing our credit facilities contain restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under the credit facilities are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. We have entered into and may in the future enter into additional interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may decide not to maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

Risks Related to Our Cokemaking Business

Our customers operate in a competitive and cyclical industry, and their default or non-compliance on their contractual obligations to purchase coke from us, or the failure of our customers to continue to purchase coke from us at similar prices under similar arrangements, may have a material and adverse effect on our financial position, results of operations and cash flows.

All of our coke sales agreements contain take-or-pay provisions, pursuant to which our customers are required to either take all of our coke production up to a specified tonnage maximum or pay the contract price for any such coke they elect not to accept. During periods of weak demand for steel, our steel industry customers may experience significant reductions in their operations, or substantial declines in the prices of the steel they sell. These and other factors may lead some customers to seek renegotiation or cancellation of their existing long-term coke purchase commitments to us. We have, and will continue to, work constructively with our customers to resolve issues, and, where appropriate, we will actively pursue legal process to protect our rights. Customer defaults on existing contractual obligations to purchase our coke may have a material and adverse effect on our financial position, results of operations and cash flows.

If a substantial portion of our agreements to supply metallurgical coke are modified or terminated or if *force majeure* is exercised, we may be adversely affected if we are not able to replace such agreements, or if we are not able to enter into new agreements at the same level of profitability. The profitability of our long-term coke sales agreements depends on a variety of factors that vary from agreement to agreement and fluctuate during the agreement term. We may not be able to obtain or renew long-term agreements at favorable prices, compared either to market conditions or to our cost structure. Price changes provided in long-term supply agreements may not reflect actual increases in production costs. As a result, such cost increases may reduce profit margins on our long-term coke sales agreements. In addition, contractual provisions for adjustment or renegotiation of prices and other provisions may increase our exposure to short-term price volatility.

From time to time, we discuss the extension of existing agreements and enter into new long-term agreements for the supply of metallurgical coke to our customers, but these negotiations may not be successful and these customers may not continue to purchase coke from us under long-term coke sales agreements. If any one or more of these customers were to significantly reduce their purchases of coke from us, or if we were unable to sell coke to them on terms as favorable to us as the terms under our current agreements, our cash flows, financial position and results of operations may be materially and adversely affected.

Further, because of certain technological design constraints, we do not have the ability to shut down our cokemaking operations if we do not have adequate customer demand. If a customer refuses to take or pay for our coke, we must continuously operate our coke ovens even though we may not be able to sell our coke immediately and may incur significant additional costs for natural gas to maintain the temperature inside our coke oven batteries, which may have a material and adverse effect on our financial position, results of operations and cash flows.

The financial performance of our cokemaking business is substantially dependent upon three customers in the steel industry, and any failure by them to perform under their contracts with us could adversely affect our financial condition, results of operations and cash flows.

Substantially all of our domestic coke sales are currently made under long-term contracts with ArcelorMittal, U.S. Steel and AK Steel. For the year ended December 31, 2011, ArcelorMittal, U.S. Steel and AK Steel accounted for approximately 64, 18 and 14 percent of our total revenues, respectively. We expect these three customers to continue to account for a significant portion of our revenues for the foreseeable future. If any one or more of these customers were to significantly reduce its purchases of coke from us, or default on their agreements with us, or fail to renew or terminate its agreements with us, or if we were unable to sell coke to any one or more of these customers on terms as favorable to us as the terms under our current agreements, our cash flows, financial position and results of operations could be materially and adversely affected.

We may not be able to successfully implement our North American growth strategy and develop, design, construct, start up, or operate new cokemaking facilities in North America.

We may not be able to complete construction of, or efficiently operate, cokemaking facilities that we develop in the future. Further development of future cokemaking facilities may not be within the expected time line or budget. We cannot predict the effect that any failed expansion may have on our core business. Regardless of whether we are successful in constructing and/or operating additional cokemaking facilities, the negotiations for development of such facilities could disrupt our ongoing business, distract management and increase our expenses. If we are not able to successfully execute our plans for the development and expansion of our North American cokemaking operations, whether as a result of unfavorable market conditions in the steel industry or otherwise, our future revenues and profitability could be materially and adversely affected.

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We may not be able to successfully implement our international growth strategy and develop, design, construct, start up and operate new, or make investments in existing, cokemaking facilities outside of North America.

A central element of our growth strategy involves the international expansion of our business. We expanded our cokemaking business internationally in 2007 through our development and operation of our customer s cokemaking facility in Vitória, Brazil. We are currently exploring opportunities with steel companies for developing new cokemaking facilities in foreign countries, which could be either wholly owned or developed through other business structures.

We also are exploring opportunities with respect to making investments in entities that own and operate, or forming a joint venture or similar arrangement with respect to assets comprising, existing cokemaking facilities in foreign countries, principally in India and China. In the event we make an investment in an entity that owns and operates an existing cokemaking facility, or form a joint venture or other similar arrangement with respect to assets comprising an existing cokemaking facility, we would share ownership and management with one or more parties who may not have the same goals, strategies, priorities, or resources as we do. Such arrangements are intended to be operated for the equal benefit of all co-owners, rather than for our exclusive benefit. Making an investment in an entity that owns and operates an existing cokemaking facility or operating a business as a joint venture often requires additional organizational formalities as well as time-consuming procedures for sharing information and making decisions. We would be required to pay close attention to our relationship with our co-owners as well as with the existing entity or joint venture, and if a co-owner changes, our relationship may be materially adversely affected. The benefits from a successful investment in an existing entity or joint venture would be shared among the co-owners, so that we would not receive all the benefits from a successful investment.

Our ability to expand internationally by entering into additional arrangements in non-U.S. markets and to successfully implement our international growth strategy is subject to a variety of risks, including, but not limited to:

- the possibility of negative developments in the demand for steel in non-U.S. markets;
- the difficulty or costs associated with complying with industry guidelines or laws or regulations of non-U.S. markets;
- the possibility that language and other cultural differences may inhibit our development and operations efforts and create internal communication problems among our U.S. and non-U.S. teams, increasing the difficulty of managing multiple, remote locations performing various development and quality assurance projects;
- compliance with non-U.S. laws that may be unfamiliar to our management and employees;
- currency risk due to the fact that our revenues and expenses for our international operations may be denominated in different currencies; and
- economic or political instability or legal restrictions could affect our ability to efficiently invest and repatriate our capital from the local country.

If we are not able to successfully execute our plans for international development and expansion of our cokemaking operations, as a result of unfavorable market conditions in the steel industry or otherwise, our future revenues and profitability could be materially and adversely affected.

Excess capacity in the global steel industry, including in China, may weaken demand for steel produced by our U.S. steel industry customers, which, in turn, may reduce demand for our coke.

In some countries, such as China, steelmaking capacity exceeds demand for steel products. Rather than reducing employment by matching production capacity to consumption, steel manufacturers in these countries

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(often with local government assistance or subsidies in various forms) may export steel at prices that are significantly below their home market prices and that may not reflect their costs of production or capital. The availability of this steel at such prices may negatively affect our steelmaking customers, who may not be able to increase the prices that they charge for steel as the supply of steel increases. As a result, the profitability and financial position of our steelmaking customers may be adversely affected, which in turn, could adversely affect the certainty of our long-term relationships with those customers and our own financial position, results of operations and cash flows.

Increased exports of coke from China may weaken our customers demand for new coke capacity.

A World Trade Organization (the WTO) appeals panel recently ruled that China s export duties and export quotas on certain raw materials, including coke, violated global trade rules. The WTO s dispute-settlement body will decide whether to adopt the appeals panel report. If the report is adopted, China will be required to put measures in place to comply with the ruling. While we do not know the nature or timing of any such measures that China may be required to enact, such measures could result in increased exports of coke from China. Increased exports of coke from China could reduce our customers demand for new coke capacity, which would limit our ability to construct a potential new U.S. plant and to enter into new commercial arrangements with our steel industry customers and materially and adversely affect our future revenues and profitability.

We face increasing competition both from alternative steelmaking and cokemaking technologies that have the potential to reduce or completely eliminate the use of metallurgical coke, may reduce the demand for the coke we produce and which could have an adverse effect on our results of operations.

Historically, metallurgical coke has been used as a main input in the production of steel in blast furnaces, and nearly all integrated steel mills still use blast furnace technology. However, some blast furnace operators have reduced the amount of coke per ton of hot metal through alternative injectants, such as pulverised coal injectant and natural gas, and the use of these coke substitutes could increase in the future. Many steelmakers also are exploring alternatives to blast furnace technology that require less or no use of metallurgical coke. For example, electric arc furnace technology is a commercially proven process widely used in the U.S. As these alternative processes for production of steel become more widespread, the demand for metallurgical coke, including the coke we produce, may be significantly reduced, and this reduction could have a material and adverse effect on our financial position, results of operations and cash flows.

We also face competition from alternative cokemaking technologies, including both by-product and non-recovery technologies. As these technologies improve and as new technologies are developed, we anticipate that competition among non-conventional coke producers will intensify. Such increased competition may adversely affect our future revenues and profitability.

Certain provisions in our long-term coke sales agreements, resulting in suspension of the performance due to force majeure, or imposition of economic penalties for failure to meet minimum volume requirements or other required specifications, may have an adverse effect on our future revenues, or profitability.

All of our coke sales agreements contain provisions requiring us to supply minimum volumes of coke to our customers. To the extent we do not meet these minimum volumes, we are generally required under the terms of our coke sales agreements to procure replacement coke supply to our customers at the applicable contract price or potentially be subject to cover damages for any shortfall. For example, in 2010, we did not meet our contractual volume minimums at our Indiana Harbor cokemaking facility. Because our customer did not require the additional coke, we were not required to replace the shortfall nor did we incur financial penalties. In the first quarter of 2011, we again expected that production volumes at our Indiana Harbor cokemaking facility would be below the contractual minimum levels and as such, contracted for third party coke supply to meet the expected shortfall at a cost that exceeded our contract selling price. However, operational improvements have increased production and coke production was sufficient to meet our contractual requirements at our Indiana Harbor facility in 2011. If future shortfalls occur at any of our facilities, we will work with our customers to identify possible other supply sources while we implement operating improvements at the facility, but we may not be successful in identifying alternative supplies and may be subject to paying the contract price for any shortfall or for cover damages, either of which could adversely affect our future revenues and profitability.

Most of our coke sales agreements also contain provisions requiring us to deliver coke that meets certain quality thresholds. Failure to meet these specifications could result in economic penalties, including price adjustments, the rejection of deliveries or termination of our agreements, any or all of which could adversely affect our future revenues and profitability.

Our coke sales agreements contain *force majeure* provisions allowing temporary suspension of performance by our customers during the duration of specified events beyond the control of our customers. Declaration of *force majeure*, coupled with a lengthy suspension of performance under one or more coke sales agreements, may seriously and adversely affect our cash flows, financial position and results of operations.

Income from operation of the Vitória, Brazil cokemaking facility may be affected by global and regional economic and political factors and the policies and actions of the Brazilian government.

The Vitória cokemaking facility is owned by a project company controlled by a Brazilian affiliate of ArcelorMittal. We earn income from the Vitória, Brazil operations through licensing and operating fees earned at the Brazilian cokemaking facility payable to us under long-term agreements with the project company and an annual preferred dividend from the project company guaranteed by the Brazilian affiliate of ArcelorMittal. These revenues depend on continuing operations and, in some cases, certain minimum production levels being achieved at the Vitória cokemaking facility. In the past, the Brazilian economy was characterized by frequent and occasionally extensive intervention by the Brazilian government and unstable economic cycles. The Brazilian government has changed in the past, and may change monetary, taxation, credit, tariff and other policies to influence Brazil s economy in the future. If the operations at Vitória cokemaking facility are interrupted or if certain minimum production levels are not achieved, we will not be able to earn the same licensing and operating fees as we are currently earning, which could have an adverse affect on our financial position, results of operations and cash flows.

To the extent we do not meet coal-to-coke yield standards in our coke sales agreements, we are responsible for the cost of the excess coal used in the cokemaking process, which could adversely impact our results of operations and profitability.

Our ability to pass through our coal costs to our customers under our coke sales agreements is generally subject to our ability to meet some form of coal-to-coke yield standard. To the extent that we do not meet the yield standard in the contract, we are responsible for the cost of the excess coal used in the cokemaking process. We may not be able to meet the yield standards at all times, and as a result we may suffer lower margins on our coke sales and our results of operations and profitability could be adversely affected.

Disruptions to our supply of coal and coal blending services may reduce the amount of coke we produce and deliver and, if we are not able to cover the shortfall in coal supply or obtain replacement blending services from other providers, our results of operations and profitability could be adversely affected.

Most of the metallurgical coal used to produce coke at our cokemaking facilities, other than our Jewell facility, is purchased from third parties under one- to two-year contracts. While we believe there is an ample supply of metallurgical coal available and we have been able to supply these facilities without any significant disruption in coke production in the past, economic, environmental and other conditions outside of our control may reduce our ability to source sufficient amounts of coal for our forecasted operational needs. The failure of our coal suppliers to meet their supply commitments could materially and adversely impact our results of operations if we are not able to make up the shortfalls resulting from such supply failures through purchases of coal from other sources.

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Other than at our Jewell cokemaking facility, we rely on third parties to blend coals that we have purchased into coal blends that we use to produce coke. We have entered into long-term agreements with coal blending service providers that are co-terminous with our coke sales agreements. Generally, we store an inventory of blended coal at or near our cokemaking facilities to cover approximately 15 to 30 days of coke production. There are limited alternative providers of coal blending services and disruptions from our current service providers could materially and adversely impact our results of operations.

Limitations on the availability and reliability of transportation, and increases in transportation costs, particularly rail systems, could materially and adversely affect our ability to obtain a supply of coal and deliver coke to our customers.

Our ability to obtain coal depends primarily on third-party rail systems and to a lesser extent river barges. If we are unable to obtain rail or other transportation services, or are unable to do so on a cost-effective basis, our results of operations could be adversely affected. Alternative transportation and delivery systems are generally inadequate and not suitable to handle the quantity of our shipments or to ensure timely delivery. The loss of access to rail capacity could create temporary disruption until the access is restored, significantly impairing our ability to receive coal and resulting in materially decreased revenues. Our ability to open new cokemaking facilities may also be affected by the availability and cost of rail or other transportation systems available for servicing these facilities.

Our coke production obligations at our Jewell cokemaking facility and one half of our Haverhill cokemaking facility require us to deliver coke to certain customers via railcar. We have entered into long-term rail transportation agreements to meet these obligations. Disruption of these transportation services because of weather-related problems, mechanical difficulties, train derailments, infrastructure damage, strikes, lock-outs, lack of fuel or maintenance items, fuel costs, transportation delays, accidents, terrorism, domestic catastrophe or other events could temporarily, or over the long-term impair, our ability to produce coke, and therefore, could materially and adversely affect our business and results of operations.

The Brazilian licensing agreement for certain of our Brazilian patents used at the Vitória cokemaking facility may terminate if we are not able to maintain or supplement the patents subject to the licensing agreement, which may have an adverse effect on our future revenues and profitability.

We currently collect certain fees in connection with the licensing of certain of our Brazilian patents at the Vitória cokemaking facility pursuant to a Brazilian licensing agreement with a term that runs through 2023. The validity of these patents is being challenged in Brazil, and the patents will otherwise expire by May 2014. We have two patent applications (one of which has been opposed by the party challenging our existing Brazilian patents) awaiting examination that, if approved, we expect will permit the Brazilian licensing agreement to continue through at least 2023. If the challenge to our existing Brazilian patents is successful, or if such Brazilian patents expire prior to a new Brazilian patent becoming subject to the Brazilian licensing agreement, and we no longer have any technology licensed under any applicable licensing agreement, we will no longer receive any licensing fees. The loss of these licensing fees would adversely affect our results of operations. We recorded licensing fees of $5.2 million, $5.9 million and $5.8 million in 2011, 2010 and 2009, respectively.

Labor disputes with the unionized portion of our workforce could affect us adversely.

As of December 31, 2011, we have approximately 1,160 employees in the United States. Approximately 320, or 28 percent, of our domestic employees, principally at our cokemaking operations, are currently represented by the United Steelworkers under various contracts. As of December 31, 2011, we have approximately 210 employees at the cokemaking facility in Vitória, Brazil, all of whom are represented by a union. When these agreements expire or terminate, we may not be able to negotiate the agreements on the same or more favorable terms as the current agreements, or at all, and without production interruptions, including labor stoppages. A prolonged labor dispute, which could include a work stoppage, could adversely affect our ability to satisfy our customers orders and, as a result, adversely affect our production and profitability.

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Risks Related to Our Coal Mining Business

Coal prices are volatile, and a substantial or extended decline in prices could adversely affect our profitability and the value of our coal reserves.

Our profitability and the value of our coal reserves depend upon the prices we receive for our coal. The contract prices we may receive for coal in the future depend upon factors beyond our control, including:

- the domestic and foreign demand and supply for metallurgical coal;
- the quantity and quality of coal available from domestic and foreign competitors;
- the demand for steel, which may lead to price fluctuations in the re-pricing of our metallurgical coal contracts;
- competition within our industry;
- adverse weather, climatic or other natural conditions, including natural disasters;
- domestic and foreign economic conditions, including economic slowdowns;
- legislative, regulatory and judicial developments, environmental regulatory changes or changes in energy policy and energy conservation measures that would adversely affect the coal industry, such as legislation limiting carbon emissions; and
- the proximity, capacity and cost of transportation facilities.

A substantial or extended decline in the prices we receive for our future coal sales could adversely affect our profitability and the value of our coal reserves.

Extensive governmental regulations pertaining to employee health and safety and mandated benefits for retired coal miners impose significant costs on our mining operations, which could materially and adversely affect our results of operations.

The coal mining industry is subject to increasingly strict regulation by federal, state and local authorities with respect to matters such as employee health and safety and mandated benefits for retired coal miners. Compliance with these requirements imposes significant costs on us and can result in reduced productivity. Moreover, the possibility exists that new health and safety legislation and/or regulations and orders may be adopted that may materially and adversely affect our mining operations. We must compensate employees for work-related injuries. If we do not make adequate provisions for our workers compensation liabilities, it could harm our future operating results. In addition, the erosion through tort liability of the protections we are currently provided by workers compensation laws could increase our liability for work-related injuries and materially and adversely affect our operating results.

Under federal law, each coal mine operator must secure payment of federal black lung benefits to claimants who are current and former employees and contribute to a trust fund for the payment of benefits and medical expenses to claimants who last worked in the coal industry before January 1, 1970. The trust fund is funded by an excise tax on coal production. If this tax increases, or if we could no longer pass it on to the purchasers of our coal under our coal sales agreements, our operating costs could be increased and our results could be materially and adversely harmed. At December 31, 2011, our liabilities for coal workers black lung benefits totaled $33.5 million, which included the estimated impact of PPACA. If new laws or regulations increase the number and award size of claims, it could materially and adversely harm our business. See Item 1. Business Legal and Regulatory Requirements Other Regulatory Requirements.

Federal or state regulatory agencies have the authority to order our mines to be temporarily or permanently closed under certain circumstances, which could materially and adversely affect our ability to meet our customers demands.

Federal or state regulatory agencies have the authority under certain circumstances following significant health and safety incidents, such as fatalities, to order a mine to be temporarily or permanently closed. If this

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occurred, we may be required to incur capital expenditures to re-open the mine and may incur fines. In the event that these agencies order the closing of our mines, our coal sales contracts generally permit us to issue *force majeure* notices which suspend our obligations to deliver coal under these contracts. However, our customers may challenge our issuances of *force majeure* notices. If these challenges are successful, we may have to purchase coal from third-party sources, if it is available, to fulfill these obligations, incur capital expenditures to re-open the mines and/or negotiate settlements with the customers, which may include price reductions, the reduction of commitments or the extension of time for delivery or termination of customers contracts. Our coal operations also provide substantially all of the coal used at our Jewell cokemaking facility. The inability to deliver the required coal to this facility could significantly impact operations at the facility. Any of these actions could have a material adverse effect on our business and results of operations.

Extensive environmental regulations impose significant costs on our mining operations, and future regulations could materially increase those costs, impose new or increased liabilities, limit our ability to produce and sell coal, or require us to change our operations significantly, any one or more of which could materially and adversely affect our financial position and/or results of operations.

Our coal mining operations are subject to increasingly strict regulation by federal, state and local authorities with respect to environmental matters such as:

- limitations on land use;
- mine permitting and licensing requirements;
- reclamation and restoration of mining properties after mining is completed;
- management of materials generated by mining operations;
- the storage, treatment and disposal of wastes;
- remediation of contaminated soil and groundwater, including with respect to past or legacy mining operations;
- air quality standards;
- water pollution;
- protection of human health, plant-life and wildlife, including endangered or threatened species;
- protection of wetlands;
- the discharge of materials into the environment;
- the effects of mining on surface water and groundwater quality and availability; and

the management of electrical equipment containing polychlorinated biphenyls.

The costs, liabilities and requirements associated with the laws and regulations related to these and other environmental matters can be costly and time-consuming, and could delay commencement or continuation of expansion or production operations. We may not have been, or may not be, at all times in compliance with the applicable laws and regulations. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of cleanup and site restoration costs and liens, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits and other enforcement measures that could have the effect of limiting production from our operations. We may incur material costs and liabilities resulting from claims for damages to property or injury to persons arising from our operations. If we are pursued for sanctions, costs and liabilities in respect of these matters, our mining operations and, as a result, our profitability could be materially and adversely affected.

New legislation or administrative regulations or new judicial interpretations or administrative enforcement of existing laws and regulations, including proposals related to the protection of the environment that would further regulate and tax the coal industry, also may require us to change operations significantly, or incur increased costs. Such changes could have a material adverse effect on our financial condition and results of operations. See Item 1. Business Legal and Regulatory Requirements for further information about the various governmental regulations affecting us.

Our coal mining operations are subject to operating risks, some of which are beyond our control, that could result in a material increase in our operating expenses and a decrease in our production levels.

Factors beyond our control could disrupt our coal mining operations, adversely affect production and shipments and increase our operating costs, all of which could have a material adverse effect on our results of operations. Such factors could include:

- poor mining conditions resulting from geological, hydrologic or other conditions that may cause damage to nearby infrastructure or mine personnel;
- variations in the thickness and quality of coal seams, and variations in the amounts of rock and other natural materials overlying the coal being mined;
- a major incident at a mine site that causes all or part of the operations of the mine to cease for some period of time;
- mining, processing and plant equipment failures and unexpected maintenance problems;
- adverse weather and natural disasters, such as heavy rains or snow, flooding and other natural events affecting operations, transportation or customers;
- unexpected or accidental surface subsidence from underground mining;
- accidental mine water discharges, fires, explosions or similar mining accidents; and
- competition and/or conflicts with other natural resource extraction activities and production within our operating areas, such as coalbed methane extraction.

If any of these conditions or events occur, our coal mining operations may be disrupted, we could experience a delay or halt of production or shipments, operating costs could increase significantly, and we could incur substantial losses. In particular, our Jewell cokemaking facility currently obtains essentially all of its metallurgical coal requirements from our existing coal mining operations. Disruptions in our coal mining operations, resulting in decreased production of metallurgical coal, could seriously and adversely affect production at our Jewell cokemaking facility.

If transportation for our coal becomes unavailable or uneconomical for our customers, it may impair our ability to sell coal, and our results of operations may be adversely affected.

Transportation costs represent a significant portion of the total cost of coal and the cost of transportation is a critical factor in a customer s purchasing decision. Increases in transportation costs and the lack of sufficient rail and port capacity could lead to reduced coal sales. For example, all of our coal mining operations are substantially dependent on, and only have access to, a single rail provider. A substantial amount of the metallurgical coal produced from our coal mining operations is used in our adjacent Jewell cokemaking facility. However, future disruption of transportation services (due to weather-related problems, infrastructure damage, strikes, lock-outs, lack of fuel or maintenance items, underperformance of port and rail infrastructure, congestion and balancing systems used to manage vessel queuing and demurrage, transportation delays or other reasons) may temporarily impair our ability to supply coal to other customers and adversely affect our results of operations.

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We face numerous uncertainties in estimating economically recoverable coal reserves, and inaccuracies in estimates may result in lower than expected revenues, higher than expected costs and decreased profitability.

Our future performance depends on, among other things, the accuracy of our estimates of our proven and probable coal reserves. There are numerous uncertainties inherent in estimating quantities and values of economically recoverable coal reserves, including many factors beyond our control. As a result, estimates of economically recoverable coal reserves are by their nature uncertain. We base our estimates of reserves on engineering, economic and geological data assembled, analyzed and reviewed by internal and third-party engineers and consultants. We update our estimates of the quantity and quality of proven and probable coal reserves as needed to reflect production of coal from the reserves, updated geological models and mining recovery data, tonnage contained in newly acquired lease areas and estimated costs of production and sales prices.

There are numerous factors and assumptions that affect economically recoverable reserve estimates, including:

- quality of the coal;
- historical production from the area compared with production from other producing areas;
- geological and mining conditions, which may not be fully identified by available exploration data and/or may differ from our experiences in areas where we currently mine;
- the percentage of coal ultimately recoverable;
- the assumed effects of regulation, including the issuance of required permits, taxes, including severance and excise taxes and royalties, and other payments to governmental agencies;
- assumptions concerning the timing for the development of the reserves; and
- assumptions concerning equipment and productivity, future coal prices, operating costs, including costs for critical supplies such as fuel and tires, capital expenditures and development and reclamation costs.

Each of these factors may vary considerably. As a result, estimates of the quantities and qualities of economically recoverable coal attributable to any particular group of properties, classifications of reserves based on risk of recovery, estimated cost of production, and estimates of future net cash flows expected from these properties as prepared by different engineers, or by the same engineers at different times, may vary materially due to changes in the foregoing factors and assumptions. Therefore, our estimates may not accurately reflect our actual reserves. Actual production, revenues and expenditures with respect to reserves will likely vary from estimates, and these variances may be material. We engaged Marshall Miller & Associates, Inc., a leading mining engineering firm, to conduct a new and comprehensive study to determine our proven and probable reserves for our coal mines. This study determined that we control proven and probable coal reserves of approximately 114 million tons as of December 31, 2011, which was an increase of 8 million tons from December 31, 2010. Any inaccuracy in our estimates related to our reserves could result in decreased profitability from lower than expected revenues and/or higher than expected costs.

Our inability to develop coal reserves in an economically feasible manner could materially and adversely affect our business.

Our future success depends upon our ability to continue developing economically recoverable coal reserves. If we fail to develop additional coal reserves, our existing reserves eventually will be depleted. We may not be able to obtain replacement reserves when we require them. Replacement reserves may not be available or, if available, may not be capable of being mined at costs comparable to those characteristic of the depleting mines. Our ability to develop coal reserves in the future also may be limited by the availability of cash we generate from our operations or available financing, restrictions under our existing or future financing arrangements, the lack of

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suitable opportunities or the inability to acquire coal properties or leases on commercially reasonable terms. If we are unable to develop replacement reserves, our future production may decrease significantly and this may have a material and adverse impact on our cash flows, financial position and results of operations.

Mining in Central Appalachia is more complex and involves more regulatory constraints than mining in other areas of the United States, which could affect our mining operations and cost structures in these areas.

Our coal mines are located in Virginia and West Virginia, in what is known as the Central Appalachian region. The geological characteristics of Central Appalachian coal reserves, such as coal seam thickness, make them complex and costly to mine. As compared to mines in other regions, permitting, licensing and other environmental and regulatory requirements are more costly and time consuming to satisfy. These factors could materially adversely affect the mining operations and cost structures of coal produced at our mines in Central Appalachia.

A defect in title or the loss of a leasehold interest in certain property could limit our ability to mine our coal reserves or result in significant unanticipated costs.

We conduct a significant part of our coal mining operations on properties that we lease. A title defect or the loss of a lease could adversely affect our ability to mine the associated coal reserves. We may not verify title to our leased properties or associated coal reserves until we have committed to developing those properties or coal reserves. In some cases, the seller or lessor warrants property title. In other cases, separate title confirmation may not be required for leasing reserves where mining has occurred previously. Our right to mine some of our reserves may be adversely affected if defects in title or boundaries exist, or if our leasehold interests are subject to superior property rights of third parties. In order to conduct our mining operations on properties where such defects exist, we may incur unanticipated costs. In addition, some leases require us to produce a minimum quantity of coal and require us to pay minimum production royalties. Our inability to satisfy those requirements may cause the leasehold interest to terminate. In addition, we may not be able to successfully negotiate new leases for properties containing additional reserves, or maintain our leasehold interests in properties where we have not commenced mining operations during the term of the lease.

Disruptions in the quantities of coal produced by our contract mine operators could impair our ability to fill customer orders or increase our operating costs.

We use independent contractors to mine coal at certain of our mining operations. Some of our contract miners may experience adverse geologic mining conditions, operational difficulties, escalated costs, financial difficulties or other factors beyond our control that could affect the availability, pricing and quality of coal produced for us. In addition, market volatility and price increases for coal or freight could result in non-performance by third-party suppliers under existing contracts with us, in order to take advantage of the higher prices in the current market. Disruptions in the quantities of coal produced by independent contractors for us could impair our ability to supply our cokemaking facilities and to fill our customer orders. Our profitability or exposure to loss on transactions or relationships such as these depends upon the reliability of the supply or the ability to substitute, when economical, third-party coal sources, with internal production or coal purchased in the market and other factors. Non-performance by contract miners may adversely affect our ability to fulfill deliveries under our coal supply agreements. If we are unable to fill a customer order, or if we are required to purchase coal from other sources in order to satisfy a customer order, we could lose existing customers and our operating costs could increase.

We require a skilled workforce to run our coal mining business. If we or our contractors cannot hire qualified people to meet replacement or expansion needs, our labor costs may increase and we may not be able to achieve planned results.

Efficient coal mining using modern techniques and equipment requires skilled workers in multiple disciplines, including experienced foremen, electricians, equipment operators, engineers and welders, among others. In 2011, we experienced lower productivity due to continued tightness in the Appalachian labor market and higher employee costs related to training costs and bonus and retention payments. Our future success depends greatly on our continued ability to attract and retain highly skilled and qualified personnel. We have an aging workforce, and an extended effort to recruit new employees to replace those who retire or a sustained shortage of skilled labor in the areas in which we operate could make it difficult to meet our staffing needs or result in higher labor rates. We also may be forced to hire novice miners, who are required to be accompanied by experienced workers as a safety precaution. These measures could adversely affect our productivity and operating costs. A lack of qualified people also may affect companies that we use to perform certain specialized work. If we or our contractors cannot find enough qualified workers, it may delay completion of projects and increase our costs.

We have reclamation and mine closure obligations. If the assumptions underlying our accruals are inaccurate, we may be required to expend significantly greater amounts than anticipated.

The Surface Mining Control and Reclamation Act established operational, reclamation and closure standards for all aspects of surface mining as well as most aspects of deep mining. We accrue for the costs of current mine disturbance and of final mine closure, including the cost of treating mine water discharge where necessary. The amounts recorded are dependent upon a number of variables, including the estimated future retirement costs, estimated proven reserves, assumptions involving profit margins, inflation rates, and the assumed credit-adjusted risk-free interest rates. Furthermore, our reclamation and mine-closing liabilities are unfunded. If these accruals are insufficient, or our cash requirements in a particular year are greater than currently anticipated, our future operating results and cash flows could be adversely affected.

Our failure to obtain or renew surety bonds on acceptable terms could materially and adversely affect our ability to secure reclamation and coal lease obligations and, therefore, our ability to mine or lease coal.

Our reclamation and mine-closing liabilities are unfunded. Federal and state laws require us to obtain surety bonds to secure performance or payment of certain long-term obligations, such as mine closure or reclamation costs, federal and state workers compensation costs, coal leases and other obligations. These bonds are typically renewable annually. Surety bond issuers and holders may not continue to renew the bonds or may demand higher fees, additional collateral, including letters of credit or other terms less favorable to us upon those renewals. We are also subject to increases in the amount of surety bonds required by federal and state laws as these laws, or interpretations of these laws, change. Because we are required by state and federal law to have these bonds in place before mining can commence or continue, our failure to maintain (or inability to acquire) these bonds would have a material and adverse impact on us. That failure could result from a variety of factors, including the following: lack of availability, higher expense or unfavorable market terms of new bonds; restrictions on availability of collateral for current and future third-party surety bond issuers under the terms of future indebtedness; our inability to meet certain financial tests with respect to a portion of the post-mining reclamation bonds; and the exercise by third-party surety bond issuers of their right to refuse to renew or issue new bonds.

Risks Related to Ownership of Our Common Stock

Your percentage ownership in us may be diluted by future issuances of capital stock or securities or instruments that are convertible into our capital stock, which could reduce your influence over matters on which stockholders vote.

Our board of directors has the authority, without action or vote of our stockholders, to issue all or any part of our authorized but unissued shares of common stock, including shares issuable upon the exercise of options, shares that may be issued to satisfy our obligations under our incentive plans, shares of our authorized but unissued preferred stock and securities and instruments that are convertible into our common stock. Issuances of common stock or voting preferred stock would reduce your influence over matters on which our stockholders vote and, in the case of issuances of preferred stock, likely would result in your interest in us being subject to the prior rights of holders of that preferred stock.

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We have no plans to pay dividends on our common stock, so you may not receive funds without selling your common stock.

We do not anticipate paying any dividends on our common stock in the foreseeable future. Any declaration and payment of future dividends to holders of our common stock are limited by restrictive covenants contained in our debt agreements, and will be at the sole discretion of our board of directors and will depend on many factors, including our financial condition, earnings, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our board of directors deems relevant.

Further, we may not have sufficient surplus under Delaware law to be able to pay any dividends in the future. The absence of sufficient surplus may result from extraordinary cash expenses, actual expenses exceeding contemplated costs, funding of capital expenditures or increases in reserves.

Provisions of our amended and restated articles of incorporation, our amended and restated by-laws and the Delaware General Corporation Law, or DGCL, could discourage potential acquisition proposals and could deter or prevent a change in control.

Our amended and restated articles of incorporation and amended and restated by-laws contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids and to encourage prospective acquirers to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include:

- a board of directors that is divided into three classes with staggered terms;
- action by written consent of stockholders may only be taken unanimously by holders of all our shares of common stock;
- rules regarding how our stockholders may present proposals or nominate directors for election at stockholder meetings;
- the right of our board of directors to issue preferred stock without stockholder approval;
- limitations on the right of stockholders to remove directors; and
- limitations on our ability to be acquired.

The DGCL also imposes some restrictions on mergers and other business combinations between us and any holder of 15 percent or more of our outstanding common stock.

We believe that these provisions protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our board of directors and by providing our board of directors with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our board of directors determines is in our best interests and that of our stockholders.

Any or all of the foregoing provisions could limit the price that some investors might be willing to pay in the future for shares of our common stock.

Risks Related to Our Separation from Sunoco

We have a limited operating history as a separate public company, and our historical financial information is not necessarily representative of the results that we would have achieved as a separate, publicly-traded company and may not be a reliable indicator of our future results.

Our historical financial information for the periods ended prior to the Separation included in this Annual Report on Form 10-K is derived from the consolidated financial statements and accounting records of Sunoco.

Accordingly, the historical financial information included here do not necessarily reflect the results of operations, financial position and cash flows that we would have achieved as a separate, publicly-traded company during the periods presented or those that we will achieve in the future primarily as a result of the following factors:

Prior to the Separation, our business was operated by Sunoco as part of its broader corporate organization, rather than as an independent company. Sunoco or one of its affiliates performed various corporate functions for us, including, but not limited to, legal services, treasury, accounting, auditing, risk management, information technology, human resources, corporate affairs, tax administration, certain governance functions (including internal audit and compliance with the Sarbanes-Oxley Act of 2002) and external reporting. Our historical financial results reflect allocations of corporate expenses from Sunoco for these and similar functions. These allocations are likely less than the comparable expenses we believe we would have incurred had we operated as a separate public company.

Previously, our business was integrated with the other businesses of Sunoco. Historically, we have shared economies of scale in costs, employees, vendor relationships and customer relationships. While we entered into transition agreements with Sunoco in connection with the Separation that govern certain commercial and other relationships between us, those transitional arrangements may not fully capture the benefits our businesses have enjoyed as a result of being integrated with the other businesses of Sunoco. The loss of these benefits could have an adverse effect on our cash flows, financial position and results of operations.

Generally, our working capital requirements and capital for our general corporate purposes, including acquisitions, research and development and capital expenditures, have historically been satisfied as part of the enterprise-wide cash management policies of Sunoco. In connection with the Separation and the IPO, we obtained financing in the form of our credit facilities and notes. In the future, we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements.

The cost of capital for our business may be higher than Sunoco s cost of capital prior to the Separation. Other significant changes may occur in our cost structure, management, financing and business operations as a result of operating as a public company separate from Sunoco. The adjustments and allocations we have made in preparing our historical Combined and Consolidated Financial Statements may not appropriately reflect our operations during those periods as if we had in fact operated as a stand-alone entity, or what the actual effect of our Separation from Sunoco will be.

We may experience increased costs resulting from a decrease in the purchasing power as a result of our Separation from Sunoco.

Historically, we have been able to take advantage of Sunoco s size and purchasing power in procuring goods, technology and services, including insurance, employee benefit support and audit services. We are a smaller and less diversified company than Sunoco, and we may not have access to financial and other resources comparable to those available to Sunoco prior to the Separation. As a separate, stand-alone company, we may be unable to obtain goods, technology and services at prices and on terms as favorable as those available to us prior to the Separation, which could have a material adverse effect on our business, financial condition and results of operations.

The Separation may adversely affect our business, and we may not achieve some or all of the expected benefits of the Separation.

We may not be able to achieve the full strategic and financial benefits expected to result from the Separation, or such benefits may be delayed or not occur at all. These benefits include the following:

improving strategic planning, increasing management focus and streamlining decision-making by providing the flexibility to implement our strategic plan and to respond more effectively to different customer needs and the changing economic environment;

- allowing us to adopt the capital structure, investment policy and dividend policy best suited to our financial profile and business needs, as well as resolving competition for capital among Sunoco s businesses;

- creating an independent equity structure that will facilitate our ability to effect future acquisitions utilizing our common stock; and

- facilitating incentive compensation arrangements for employees more directly tied to the performance of our business, and enhancing employee hiring and retention by, among other things, improving the alignment of management and employee incentives with performance and growth objectives.

We may not achieve the anticipated benefits for a variety of reasons. There also can be no assurance that the Separation will not adversely affect our business.

If there is a determination that the Distribution is taxable for U.S. federal income tax purposes because the facts, assumptions, representations or undertakings underlying the Internal Revenue Service (IRS) private letter ruling or tax opinion are incorrect or for any other reason, then Sunoco and its shareholders could incur significant U.S. federal income tax liabilities and we could incur significant liabilities.

Sunoco has received a private letter ruling from the IRS, substantially to the effect that, among other things, the contribution and the distribution qualify as a transaction that is tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code. In addition, Sunoco has received an opinion of Wachtell, Lipton, Rosen & Katz, counsel to Sunoco, to the effect that the contribution and the distribution will qualify as a transaction that is described in Sections 355 and 368(a)(1)(D) of the Internal Revenue Code. The ruling and the opinion rely on certain facts, assumptions, representations and undertakings from Sunoco and us regarding the past and future conduct of the companies respective businesses and other matters. If any of these facts, assumptions, representations or undertakings are incorrect or not otherwise satisfied, Sunoco and its shareholders may not be able to rely on the ruling or the opinion of tax counsel and could be subject to significant tax liabilities. Notwithstanding the private letter ruling and opinion of tax counsel, the IRS could determine on audit that the Separation is taxable if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated or if it disagrees with the conclusions in the opinion that are not covered by the private letter ruling, or for other reasons, including as a result of certain significant changes in the stock ownership of Sunoco or us after the Separation. If the Separation is determined to be taxable for U.S. federal income tax purposes, Sunoco and its shareholders could incur significant U.S. federal income tax liabilities and we could incur significant liabilities. See Note 8 to the Combined and Consolidated Financial Statements for a description of the sharing of such liabilities between Sunoco and us.

As a public company, we are subject to additional financial and other reporting and corporate governance requirements that may be difficult for us to satisfy and may divert management s attention from our business.

As a public company, we are required to file annual and quarterly reports and other information pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act) with the SEC. We are required to prepare financial statements that comply with SEC reporting requirements on a timely basis. We are also subject to other reporting and corporate governance requirements, including the NYSE listing standards and certain provisions of the Sarbanes-Oxley Act of 2002 and the regulations promulgated thereunder, which impose significant compliance obligations upon us. As a public company, we are required to commit significant resources and management oversight to such requirements, which may cause us to incur significant costs and which may place a strain on our systems and resources. As a result, our management s attention may be diverted from other business concerns. In addition, we might not be successful in implementing these requirements.

As is further described in Item 9A. Controls and Procedures, Sunoco s management believes that it has remediated the previously identified material weakness and, that, as of December 31, 2011, Sunoco s internal control over financial reporting was effective. However, we have not yet tested our internal control over financial

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reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. If we are unable to implement the requirements of Section 404 in a timely manner or with adequate compliance, we and our independent registered public accounting firm may not be able to report on the adequacy of our internal control over financial reporting. If we are unable to maintain adequate internal control over financial reporting, we may be unable to report our financial information on a timely basis and may suffer adverse regulatory consequences or violations of NYSE listing standards. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements.

To preserve the tax-free treatment to Sunoco of the contribution and the Distribution, we may not be able to engage in certain transactions.

To preserve the tax-free treatment to Sunoco of the contribution and the Distribution, under the tax sharing agreement we are restricted from taking any action that prevents the Distribution and related transactions from being tax-free for U.S. federal income tax purposes. These restrictions may limit our ability to pursue certain strategic transactions or engage in other transactions, including use of our common stock to make acquisitions and equity capital market transactions, that might increase the value of our business. See Note 8 to the Combined and Consolidated Financial Statements for more information.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Properties

We own the following real property:

- Approximately 66 acres in Vansant (Buchanan County), Virginia, on which the Jewell cokemaking facility is located, along with an additional approximately 2,550 acres including the offices, warehouse and support buildings for our Jewell coal and coke affiliates located in Buchanan County, Virginia, as well as other general property holdings and unoccupied land in Buchanan County, Virginia and McDowell County, West Virginia. In addition, we own certain mineral rights on approximately 1,650 acres of property in Buchanan, Dickenson and Wise Counties, Virginia.

- Approximately 250 acres in Russell County, Virginia owned by the HKCC Companies, which include a warehousing facility, two coal preparation plants and certain coal loadout facilities as well as unoccupied land.

- Approximately 400 acres in Franklin Furnace (Scioto County), Ohio, on which the Haverhill cokemaking facility (both the first and second phases) is located.

- Approximately 41 acres in Granite City (Madison County), Illinois, adjacent to the U.S. Steel Granite City Works facility, on which the Granite City cokemaking facility is located. Upon the earlier of ceasing production at the facility or the end of 2044, U.S. Steel has the right to repurchase the property, including the facility, at the fair market value of the land. Alternatively, U.S. Steel may require us to demolish and remove the facility and remediate the site to original condition upon exercise of its option to repurchase the land.

- Approximately 250 acres in Middletown (Butler County), Ohio near AK Steel s Middletown Works facility, on which the Middletown cokemaking facility is located.

We lease the following real property:

Approximately 88 acres of land located in East Chicago (Lake County), Indiana, on which the Indiana Harbor cokemaking facility is located and, through a sublease, the coal handling and blending facilities that service the Indiana Harbor cokemaking facility. The leased property is inside ArcelorMittal s Indiana Harbor Works facility and is part of an enterprise zone.

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Approximately 22 acres of land located in Buchanan County, Virginia, on which one of our coal preparation plants is located.

Our former corporate headquarters located in Knoxville, Tennessee, under a ten year lease which commenced in 2007. Beginning in the second quarter of 2011, concurrent with our move to Lisle, Illinois, this space was subleased to another tenant for the remainder of the lease term, although we remain directly liable to the landlord under the original lease.

Our corporate headquarters is located in leased office space in Lisle, Illinois under an 11-year lease that commenced in 2011.

In addition, through our Jewell coal affiliates and the HKCC Companies, we lease small parcels of land, mineral rights and coal mining rights for approximately 127 thousand acres of land in Buchanan and Russell Counties, Virginia and McDowell County, West Virginia. Substantially all of the leases are life of mine agreements that extend our mining rights until all reserves have been recovered. These leases convey mining rights to us in exchange for payment of certain royalties and/or fixed fees. We use internal land managers and attorneys to perform title reviews on properties prior to obtaining coal leases.

Set forth below is a map depicting the properties and facilities of our coal mining operations.

We engaged Marshall Miller & Associates, Inc., a leading mining engineering firm, to conduct a new and comprehensive study to determine our proven and probable reserves for our coal mines. This study determined that we control proven and probable coal reserves of approximately 114 million tons as of December 31, 2011, which was an increase of 8 million tons from December 31, 2010.

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The table below sets forth the proven and probable metallurgical coal reserves at our Jewell coal mining operations as of December 31, 2011:

	Total Demonstrated Reserves (millions of tons)(1)(2)										
		Reserves		Tons by Assignment		Tons by Mining Type		Tons by Permit Status		Tons by Property Control	
Seam	Total	Proven	Probable	Assigned	Unassigned	Surface	Deep	Permitted	Not Permitted	Owned	Leased
Hagy	0.60	0.44	0.16	0.24	0.37	0.00	0.60	0.24	0.37	0.00	0.60
Middle Splashdam	1.58	1.42	0.16	0.26	1.31	0.00	1.58	0.26	1.31	0.00	1.58
Upper Banner	0.52	0.41	0.11	0.00	0.52	0.00	0.52	0.00	0.52	0.00	0.52
Kennedy	2.93	2.45	0.48	0.19	2.74	0.00	2.93	0.34	2.59	0.00	2.93
Red Ash	27.07	16.93	10.14	3.39	23.68	0.00	27.07	7.80	19.27	0.00	27.07
Jawbone Rider	7.29	4.28	3.01	0.00	7.29	0.00	7.29	0.00	7.29	0.00	7.29
Jawbone (JB30)	41.57	24.96	16.61	9.16	32.41	0.34	41.23	7.52	34.06	0.00	41.57
Tiller	12.60	9.34	3.26	7.65	4.95	0.85	11.75	8.16	4.43	0.00	12.60
Grand Total	**94.16**	**60.23**	**33.93**	**20.89**	**73.27**	**1.19**	**92.97**	**24.32**	**69.84**	**0.00**	**94.16**

(1) All tons are recoverable, reserve tons utilizing appropriate mine recovery, wash recovery at 1.50 float, preparation plant efficiency, and moisture factors.

(2) Amounts may not add to totals due to rounding.

The table below sets forth a summary of the proven and probable metallurgical coal reserves of the HKCC Companies as of December 31, 2011:

	Total Demonstrated Reserves (millions of tons)(1)(2)										
		Reserves		Tons by Assignment		Tons by Mining Type		Tons by Permit Status		Tons by Property Control	
Seam	Total	Proven	Probable	Assigned	Unassigned	Surface	Deep	Permitted	Not Permitted	Owned	Leased
Lower Banner	2.91	2.02	0.89	2.91	0.00	1.58	1.33	0.04	2.87	0.03	2.88
Kennedy	3.34	2.91	0.43	3.34	0.00	0.19	3.15	0.64	2.70	0.04	3.30
Red Ash	4.98	4.52	0.46	4.98	0.00	0.00	4.98	0.00	4.98	0.00	4.98
Jawbone Rider	7.60	6.76	0.84	7.60	0.00	0.00	7.60	0.00	7.60	0.00	7.60
Jawbone (JB20-30 & JB 10-30)	1.44	1.43	0.01	1.44	0.00	0.00	1.44	0.00	1.44	0.00	1.44
Grand Total	**20.27**	**17.64**	**2.63**	**20.27**	**0.00**	**1.77**	**18.50**	**0.68**	**19.59**	**0.07**	**20.20**

(1) All tons are recoverable, reserve tons utilizing appropriate mine recovery, wash recovery at 1.50 float, and moisture factors.

(2) Amounts may not add to totals due to rounding.

The table below sets forth the historical amount of coal produced at our coal mining operations:

Mine	Years Ended December 31				
	2011	2010	2009	2008	2007
Company Operated Mines	842	878	823	879	824
Contractor Operated Mines	522(1)	226	311	300	396
Total	1,364	1,104	1,134	1,179	1,220

(1) These amounts include coal production of the HKCC Companies, which we acquired in January 2011.

Item 3. Legal Proceedings

Beginning in July 2009, ArcelorMittal initiated legal proceedings challenging the prices we charged ArcelorMittal under the Jewell coke sales agreement. In January 2011, we participated in a mediation ordered by the U.S. District Court for the Northern District of Ohio (Eastern Division) with ArcelorMittal that resulted in a commercial resolution of the litigation. We entered into a settlement agreement with ArcelorMittal to resolve the lawsuit concerning coke pricing for the Jewell facility. The parties agreed to amend the Jewell and Haverhill coke sales agreements effective January 1, 2011 to eliminate the fixed coal cost adjustment factor in the Jewell agreement and increase the operating cost and fixed fee components of the coke price under both agreements. The parties also agreed that the take-or-pay provisions of these coke sales agreements would remain in effect through the end of the terms of these agreements in December 2020. Prior to the settlement, these take-or-pay provisions were scheduled to change in the second half of 2012 into annually adjusted provisions that would have only required ArcelorMittal to purchase coke from us for its projected requirements above certain fixed thresholds. If the amendments to the Jewell and Haverhill coke supply agreements had been in place during 2010, our pretax earnings would have been reduced by approximately $51 million.

On August 3, 2010, ArcelorMittal (through its main United States subsidiary) gave the partnership (the Partnership) that owns the Indiana Harbor cokemaking facility, in which we are the general partner and currently own an 85 percent interest, written notice that it intended to arbitrate certain outstanding issues under the Indiana Harbor coke sales agreement. ArcelorMittal claimed that it has been subject to substantial overcharges and losses as a result of: (1) alleged improper force majeure notifications issued by the Partnership in 2010, (2) the alleged overstatement of the coal cost component of the coke price, (3) the Partnership allegedly failing to provide the ongoing anticipated capital needs of the Indiana Harbor cokemaking facility, and (4) the alleged inadequacy of the Partnership s procedures to control coal inventory loss. We entered into a settlement agreement with ArcelorMittal to resolve the Indiana Harbor arbitration claims. The settlement was effective January 1, 2011 and will not significantly impact our future income.

The EPA has issued NOVs to us for our Haverhill, Granite City and Indiana Harbor cokemaking facilities described under Item 1. Legal and Regulatory Requirements Environmental Matters and Compliance.

Many other legal and administrative proceedings are pending or may be brought against us arising out of our current and past operations, including matters related to commercial and tax disputes, product liability, antitrust, employment claims, natural resource damage claims, premises-liability claims, allegations of exposures of third parties to toxic substances and general environmental claims. Although the ultimate outcome of these proceedings cannot be ascertained at this time, it is reasonably possible that some of them could be resolved unfavorably to us. Our management believes that any liabilities that may arise from such matters would not be material in relation to our business or our combined and consolidated financial position, results of operations or cash flows at December 31, 2011.

Item 4. Mine Safety Disclosures

The information concerning mine safety violations and other regulatory matters that we are required to report in accordance with Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is included in Exhibit 95.1 to this Annual Report on Form 10-K.

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PART II

Item 5. Market for Registrant s Common Equity, Related Stockholders Matters and Issuer Purchases of Equity Securities

Market Information

Shares of our common stock, which is traded under the stock trading symbol SXC , have been trading since July 21, 2011, when our stock was listed on the NYSE. As a result, our table below only provides data with respect to the third and fourth quarters of 2011. Quarterly price ranges of our common stock are based on the high and low prices from intraday trades.

	2011	
	High	Low
Third Quarter	$ 18.00	$ 10.78
Fourth Quarter	13.11	9.20

Holders

As of February17, 2012, we had a total of 70,084,410 issued and outstanding shares of our common stock and had 17,358 holders of record of our common stock.

Dividends

Since our formation, we have not paid any dividends on our common stock. We have no current plans to pay any dividends on our common stock. Our payment of dividends in the future, if any, will be determined by our board of directors and will depend on business conditions, our financial condition, earnings, liquidity and capital requirements, covenants in our debt agreements and other factors.

Share Repurchase Program

The Company did not repurchase any of its common stock on the open market during the year ended December 31, 2011. On February 16, 2012, our board of directors authorized a program to repurchase an aggregate amount of up to 3,500,000 shares of our common stock through the end of 2015 from time to time in the open market, through privately negotiated transactions, block transactions or otherwise in order to counter the dilutive impact of exercised stock options and the vesting of restricted stock grants. As of the date of this filing, we have not repurchased any shares under our stock repurchase program.

Item 6. Selected Financial Data

The following table presents summary combined and consolidated operating results and other information of SunCoke Energy and should be read in conjunction with Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and our Combined and Consolidated Financial Statements and accompanying notes included elsewhere in this Annual Report on Form 10-K.

The historical Combined Financial Statements for periods prior to the Separation Date include the accounts of all operations that comprised the cokemaking and coal mining operations of Sunoco, after elimination of all intercompany balances and transactions within the combined group of companies. The historical Combined Financial Statements also include allocations of certain Sunoco corporate expenses. Our management believes the assumptions and methodologies underlying the allocation of general corporate overhead expenses are reasonable. However, such expenses may not be indicative of the actual level of expense that we would have incurred if we had operated as an independent, publicly-traded company during the periods prior to the IPO or of the costs expected to be incurred in the future. See Note 6 to our Combined and Consolidated Financial

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Statements for further information regarding allocated expenses. Because a direct ownership relationship did not exist among all the various entities comprising the Company, Sunoco s net investment in us is presented as net parent investment, rather than stockholders equity, in the Combined Balance Sheets for periods prior the Separation Date.

The weighted average number of common shares outstanding used in the computation of earnings attributable to SunCoke Energy, Inc. / net parent investment per common share for all periods presented includes 70.0 million shares of common stock owned by Sunoco on the Separation Date as a result of its contribution of the assets of its cokemaking and coal mining operations to us and related capitalization.

	Years Ended December 31				
	2011	2010	2009	2008	2007 (Unaudited)
	(Dollars in millions, except per share amounts)				
Operating Results:					
Sales and other operating revenue	$ 1,527.6	$ 1,316.5	$ 1,124.0	$ 838.9	$ 515.2
Operating income	$ 67.5	$ 174.2	$ 211.6	$ 150.7	$ 14.9
Net income	$ 58.9	$ 146.3	$ 211.2	$ 132.9	$ 50.3
Net income attributable to SunCoke Energy, Inc. / net parent investment	$ 60.6	$ 139.2	$ 189.6	$ 113.9	$ 30.5
Earnings attributable to SunCoke Energy, Inc. / net parent investment per common share:					
Basic	$ 0.87	$ 1.99	$ 2.71	$ 1.63	$ 0.44
Diluted	$ 0.87	$ 1.99	$ 2.71	$ 1.63	$ 0.44
Other Information:					
Cash and cash equivalents	$ 127.5	$ 40.1	$ 2.7	$ 23.0	$ 22.4
Total assets	$ 1,941.8	$ 1,718.4	$ 1,546.7	$ 1,312.9	$ 992.5
Long-term debt, including current portion (due to unrelated parties)	$ 726.4	$	$	$	$
SunCoke Energy, Inc. stockholders equity / net parent investment	$ 525.5	$ 369.5	$ 742.0	$ 552.4	$ 445.9

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Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations

This Annual Report on Form 10-K contains certain forward-looking statements of expected future developments, as defined in the Private Securities Litigation Reform Act of 1995. This discussion contains forward-looking statements about our business, operations and industry that involve risks and uncertainties, such as statements regarding our plans, objectives, expectations and intentions. Our future results and financial condition may differ materially from those we currently anticipate as a result of the factors we describe under Cautionary Statement Concerning Forward-Looking Statements and Risk Factors.

Unless the context otherwise requires, references in this report to the Company, we, our, us, or like terms, when used in a historical context (periods prior to July 18, 2011), refer to the cokemaking and coal mining operations of Sunoco prior to their transfer to the Company in connection with the Separation. References when used in the present tense or prospectively (after July 18, 2011), refer to SunCoke Energy, Inc. and its subsidiaries.

This Management s Discussion and Analysis of Financial Condition and Results of Operations is based on financial data derived from the financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP) and certain other financial data that is prepared using non-GAAP measures. For a reconciliation of these non-GAAP measures to the most comparable GAAP components, see Non-GAAP Financial Measures at the end of this Item.

Overview

SunCoke Energy, Inc. (SunCoke Energy , Company , we , our and us) is the largest independent producer of high-quality metallurgical coke in Americas, as measured by tons of coke produced each year, and has almost 50 years of coke production experience. Metallurgical coke is a principal raw material in the integrated steelmaking process. We have designed, developed and built, and own and operate five metallurgical cokemaking facilities in the United States (U.S.). Our fifth U.S. cokemaking facility in Middletown, Ohio was recently completed and commenced operations in October 2011. During 2011, we sold approximately 3.8 million tons of metallurgical coke to our three primary customers in the United States: ArcelorMittal, U.S. Steel, and AK Steel. All of these coke sales agreements contain take-or-pay provisions, which require that our customers either take all of our coke production up to a specified tonnage maximum or pay the contract price for any such coke they elect not to accept. With the completion of our Middletown facility, our total U.S. cokemaking capacity has increased to approximately 4.2 million tons of coke per year.

We also designed and operate a cokemaking facility in Brazil under licensing and operating agreements on behalf of a Brazilian subsidiary of ArcelorMittal. The Brazilian facility is the largest cokemaking facility that we operate, with production capacity of approximately 1.7 million tons of coke per year. We earn income from the Brazilian facility through (1) licensing and operating fees payable to us under long-term contracts with the local project company that will run through 2023, subject, in the case of the licensing agreement, to the issuance prior to 2014 of certain patents in Brazil that have been granted in the United States and (2) an annual preferred dividend on our preferred stock investment from the project company guaranteed by the Brazilian subsidiary of ArcelorMittal.

Metallurgical coke, which is made from metallurgical coal, is primarily consumed by the steel industry. Approximately 80 percent of all coke produced is used in blast furnace steelmaking and other steelmaking processes. Consequently, the cokemaking industry is largely dependent on the outlook for steelmaking and particularly blast furnace steel making. U.S. and Canada demand for blast furnace coke in 2012 is estimated to be approximately 18 million tons. Blast furnace steel production and coke demand is expected to remain relatively flat in the near term, but we estimate it could increase by up to two million tons per year by 2015 with a recovery in the U.S. economy and resulting increase in steel demand.

We own and operate coal mining operations in Virginia and West Virginia that sold approximately 1.4 million tons of metallurgical coal (including internal sales to our cokemaking operations) in 2011. Our

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mining area consists of 14 active underground mines, two active surface mines and two active highwall mines as well as three preparation plants and four load-out facilities in Russell and Buchanan Counties in Virginia and McDowell County, West Virginia. Our underground metallurgical coal mining operations near our Jewell cokemaking facility had approximately 114 million tons of proven and probable coal reserves at December 31, 2011.

Metallurgical coal is the key raw material in the production of metallurgical coke. Our mining operations have historically produced coal that we believe possesses highly desirable coking properties, mid-volatility and average sulfur and ash content. Historically, substantially all of our mined coal has been used internally at our nearby Jewell cokemaking facility or at our other domestic cokemaking facilities. The operations of the recently acquired HKCC Companies produce high volatile A and high volatile B metallurgical coals, which can be blended with the mid-volatility coal produced by our existing coal mining operations, and high quality steam coal. Approximately 80 percent of total expected 2012 production volumes, including production of the HKCC Companies and our surface mining venture with Revelation Energy, LLC (Revelation), are contracted for sale at an average price of $171 per ton. Approximately 88 percent of our mid-volatility metallurgical coal is contracted for sale at an average price of $177 per ton, including the carryover of 200,000 tons from 2011 at a price of $165 per ton.

Our Separation from Sunoco

On January 17, 2012 (the Distribution Date), we became an independent, publicly-traded company following our separation from Sunoco. Our separation from Sunoco occurred in two steps:

- We were formed as a wholly-owned subsidiary of Sunoco. On July 18, 2011 (the Separation Date), Sunoco contributed the subsidiaries, assets and liabilities that were primarily related to its cokemaking and coal mining operations to us in exchange for shares of our common stock. As of such date, Sunoco owned 100% of our common stock. On July 26, 2011, we completed an initial public offering (IPO) of 13,340,000 shares of our common stock, or 19.1% of our outstanding common stock. Following the IPO, Sunoco continued to own 56,660,000 shares of our common stock, or 80.9% of our outstanding common stock.

- On the Distribution Date, Sunoco made a pro-rata, tax free distribution (the Distribution) of the remaining shares of our common stock that it owned in the form of a special stock dividend to Sunoco shareholders. Sunoco shareholders received 0.53046456 of a share of common stock for every share of Sunoco common stock held as of the close of business on the January 5, 2012, the record date for the Distribution. After the Distribution, Sunoco ceased to own any shares of our common stock.

2011 Key Financial Results

- Revenues in 2011 increased 16 percent to $1,538.9 million primarily due to higher sales in our Other Domestic Coke segment, driven by the pass-through of higher coal prices and fees. Higher sales in our Coal Mining segment, which reflects higher coal prices and the acquisition of HKCC, also contributed to the increase in revenues.

- Net income attributable to stockholders was $60.6 million in 2011 compared to $139.2 million in 2010. The decrease was due to the impact of the ArcelorMittal contract amendments, operating challenges at the Indiana Harbor facility, expenses related to becoming a public company, headquarter relocation costs and increased financing costs. These decreases were partially offset by favorable results in our Coal Mining segment.

- Adjusted EBITDA was $140.5 million in 2011 compared to $227.3 million in 2010.

- Cash generated from operating activities was $101.3 million in 2011 compared to $296.6 million in 2010.

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Our Focus in 2011

2011 was a year of transformation for SunCoke Energy as we completed our IPO and took the necessary steps to position the Company to separate from Sunoco, including building a strong management team to support the requirements of being a public company. In 2011, we strengthened our foundation and positioned our business for growth in 2012 and beyond. Our 2011 business and growth strategies were as follows:

- Maintain a consistent focus on operational excellence, safety and environmental stewardship.
- Execute successful startup of our Middletown cokemaking operations.
- Begin permitting work for a potential new U.S. plant in anticipation of a market recovery.
- Grow international footprint in key growth markets with immediate focus on India.
- Expand domestic coal production from existing reserves and improve efficiency of existing mines.
- Establish solid liquidity to position business for growth.

Maintain our consistent focus on operational excellence, including safety and environmental stewardship.

Operating our cokemaking facilities reliably and at low cost while producing consistently high quality coke is critical to maintaining the satisfaction of our existing customers and our ability to grow with new and existing customers. We have developed and instituted a management program to drive the reliable and cost-efficient operation of our facilities through standardized processes, procedures and management systems incorporating best practices that we refer to as the SunCoke Way. We believe that the SunCoke Way provides the foundation to achieve operational excellence at our facilities and represents a key component of the future growth of our business. Our expertise at developing, constructing and operating our facilities will enable us to continue growing with our customers, and others, as they construct new blast furnaces and their existing cokemaking facilities require replacement. We are also committed to maintaining a safe work environment and ensuring strict compliance with applicable laws and regulations at both our cokemaking and coal mining operations. To support these objectives, we are in the process of implementing a structured safety and environmental process that provides a robust framework for managing and monitoring safety and environmental performance. We also seek to foster good relationships with regulators, policymakers, state and local officials and the communities in which we operate.

- *Indiana Harbor.* Some ovens and associated equipment at our Indiana Harbor cokemaking facility have experienced differential heaving and settling as a result of the instability of the ground on which it was constructed. This differential movement reduced production and required corrective action to certain ovens, ancillary equipment and structures. During the first quarter of 2011, we estimated that Indiana Harbor would fall short of its 2011 annual minimum coke production requirements by approximately 122 thousand tons. To meet this anticipated volume shortfall, we entered into contracts to procure the coke from third parties to meet the projected volume shortfall at a cost that exceeded our contract selling price. However, operational improvements at Indiana Harbor resulting from maintenance and repairs at this facility increased volume during the balance of the year and coke production was sufficient to meet our contractual requirements.

The initial term of our Indiana Harbor coke sales agreement with the customer ends on September 30, 2013. In preparation for negotiation of a new long-term contract, we are conducting an engineering study at this facility to identify major maintenance projects necessary to facilitate a long-term contract renewal. In accordance with the preliminary findings of this engineering study, we expect to spend approximately $50 million in the 2012 through 2014 timeframe to refurbish the facility. This estimate does not include additional spending that may be required in connection with the settlement of the NOV at the Indiana Harbor facility. See the section entitled Business Legal and Regulatory

Requirements Environmental Matters and Compliance. The majority of the spending to complete this refurbishment will take place in 2012 and 2013 and will, in part, be contingent on reaching commercially agreeable terms for a long-term contract extension with our customer and the third-party

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investor in the partnership (the Partnership) that owns the Indiana Harbor cokemaking facility. While we believe that there is a reasonable likelihood that we will reach agreement with our customer for a new long-term contract, such an agreement may not be reached.

Our customer also has a contractual relationship to purchase steam and electricity from Cokenergy, Inc. (Cokenergy), an independent power producer that owns and operates an energy facility, including heat recovery equipment, a flue gas desulfurization system and a power generation plant, that processes hot flue gas from the Partnership s Indiana Harbor facility to produce steam and electricity and to reduce the sulfur and particulate content of such flue gas. The Partnership also has an agreement with Cokenergy under which the Indiana Harbor facility supplies flue gas to Cokenergy and Cokenergy processes such flue gas. The agreement between the Partnership and Cokenergy ends on September 30, 2013. In the first six months of the final year of the agreement between the Partnership and Cokenergy, the parties are obligated to negotiate in good faith for an extension to the term of the agreement. In the event that the parties cannot reach agreement on an extension of the term of the agreement, and subject to the rights of our customer to purchase the energy facility from Cokenergy, the Partnership may purchase certain assets, specifically the flue gas desulfurization system and heat recovery equipment, necessary for the continued operation of the Indiana Harbor cokemaking facility from Cokenergy at fair market value upon written notice to Cokenergy not later than six months prior to the expiration of the agreement. To the extent the Partnership does not exercise such right, Cokenergy at its option may either abandon or remove all or any of the heat recovery equipment of the energy facility.

Haverhill and Granite City. We have undertaken capital projects to improve the reliability of the energy recovery systems and enhance environmental performance at our Haverhill and Granite City cokemaking facilities. As a result of our discussions with the EPA, we expect these projects to cost approximately $80 million to $100 million and to be carried out over the 2012 through 2016 period. The majority of the spending is expected to take place from 2013 to 2016, although some spending may occur in 2012 depending on the timing of the settlement. The final cost of the projects will be dependent upon the ultimate outcome of discussions with regulators. For more information, see the section entitled Business Legal and Regulatory Requirements Environmental Matters and Compliance.

Middletown cokemaking operations.

Our Middletown cokemaking facility commenced operations in October 2011. The facility consists of 100 ovens and a cogeneration facility for the production of electric energy. When fully operational, we expect that the Middletown cokemaking facility will have cokemaking capacity of approximately 550 thousand tons of coke per year and provide, on average, 44 megawatts of electric power per hour. As anticipated during the start-up phase, current production levels are less than full production capacity. We anticipate that these operations will reach full production during the second quarter of 2012.

Begin permitting work for a potential new U.S. plant in anticipation of market recovery.

We are currently discussing opportunities for developing new heat recovery cokemaking facilities with domestic and international steel companies. Such cokemaking facilities could be either wholly owned or developed through other business structures. As applicable, the steel company customers would be expected to purchase coke production under long-term contracts. The facilities would also generate steam, which would typically be sold to the steel customer, or electrical power, which could be sold to the steel customer or into the local power market. One potential project is a facility with up to 200 ovens and 1.1 million tons of capacity which could serve multiple customers and may have a portion of its capacity reserved for coke sales in the spot market. We are in the early stages of permitting for this potential facility in Kentucky, but we are also assessing alternative sites in other states. In light of the current economic and business outlook, we expect to defer seeking customer commitments for this potential facility until we make further progress on obtaining permits, which we anticipate receiving in the latter half of 2012. Our ability to construct a new facility and to enter into new commercial arrangements is dependent upon market conditions in the steel industry.

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Grow international footprint in key growth markets with immediate focus on India.

During 2011, we actively researched international markets for metallurgical coke and coke business opportunities, specifically in India and China. As part of this effort, we entered into a memorandum of understanding to make a minority equity investment in an independent metallurgical coke producer in India. After conducting due diligence, we decided in February 2012 not to pursue the investment opportunity. We will continue to explore opportunities to implement our India entry strategy and to grow our international footprint.

Increased coal production.

We are implementing a coal expansion plan at our Jewell coal mining operations that we expect will increase our coal production from our Jewell underground mines. Coal production at our Jewell coal mining operations was 1.07 million tons in 2011 and we anticipate coal production to be approximately 1.15 million tons and 1.45 million tons in 2012 and 2013, respectively. We expect capital outlays for the expansion plan to total approximately $30 million primarily for new mining equipment between 2011 and 2013. We spent approximately $11 million in 2011 and anticipate spending $10 million in 2012. Our coal expansion plan is contingent on market conditions, including the price of metallurgical coal.

Our coal expansion plan also includes growth in surface mining. In June 2011, we entered into a series of coal transactions with Revelation. Under a contract mining agreement, Revelation will mine certain coal reserves at our Jewell coal mining operations that are included in our current proven and probable reserve estimate. This coal will be mined, subject to the satisfaction of certain conditions, over a three-year period beginning in the first quarter of 2012 and is expected to produce approximately 1.2 million tons of coal over this period. We anticipate 75 percent of production to be mid-volatility metallurgical coal, with the remaining 25 percent thermal coal. In addition, we intend to build a state-of-the-art rapid train coal loading facility in the proximity of our Jewell coal mining operations at an expected cost of approximately $20 million, of which the majority is expected to be spent in 2012. Once completed, the throughput capacity of the loadout facility will be 2.6 million tons per year. The loadout facility will be operated by Revelation and rail service will be provided by Norfolk Southern.

Establish solid liquidity to position business for growth.

We raised $730.0 million in debt in 2011 and our year end cash and cash-equivalents position was $127.5 million. Additionally, we have $150.0 million available on our revolving credit facility and $45.0 million available on our incremental facility. See the section entitled Liquidity and Capital Resources for more information. Our aim is to maintain liquidity and capital resources at levels that will permit us to continue to finance additional growth projects that are likely to require significant capital investment.

Our Focus and Outlook for 2012

In 2012, we will continue to execute the strategies already in place. Our primary focus will be to:

- Execute the ramp up of our Middletown cokemaking operations; we anticipate that these operations will reach full production during the second quarter of 2012.

- Achieve targeted domestic coke production volume of 4.0 to 4.2 million tons through continued focus on operational excellence, including safety and environmental stewardship, at all facilities.

- Continue permitting work for a potential new U.S. plant in anticipation of a market recovery.

- Continue pursuing and exploring opportunities to profitably expand our cokemaking presence in global markets, with a focus on India and China.

- Expand domestic coal production from existing reserves and improve efficiency of existing mines.

We expect 2012 net income attributable to stockholders to be in the range of $98 million to $122 million and Adjusted EBITDA to be in the range of $250 million to $280 million. In 2012, we expect diluted earnings per share attributable to SunCoke Energy, Inc. stockholders to be in the range of $1.30 to $1.65. This compares to 2011 diluted earnings per share attributable to SunCoke Energy, Inc. stockholders of $0.87. We expect that these increases will be driven by the full year contribution of the Middletown cokemaking operations, improved operational performance at the Indiana Harbor cokemaking facility and increased volumes and pricing in our Coal Mining segment. We expect free cash flow in 2012 to exceed $50 million (see Non-GAAP Financial Measures at the end of this Item). Domestic coke production in 2012 is expected to be between 4.0 million and 4.2 million tons. Coal production in 2012 is expected to be approximately 1.8 million tons.

Items Impacting Comparability

Resolution of Contract Disputes with ArcelorMittal. Beginning in July 2009, ArcelorMittal initiated legal proceedings challenging the prices charged to ArcelorMittal under the Jewell coke sales agreement. In January 2011, we participated in court ordered mediation with ArcelorMittal which resulted in a commercial resolution of the litigation. The parties agreed to amend the Jewell and Haverhill coke sales agreements effective January 1, 2011 to eliminate the fixed coal cost adjustment factor in the Jewell agreement and increase the operating cost and fixed fee components of the coke price under both agreements. The parties also agreed that the take-or-pay provisions of these coke sales agreements would remain in effect through the end of the terms of these agreements in December 2020. Prior to the settlement, these take-or-pay provisions were scheduled to change in the second half of 2012 into annually adjusted provisions that would have only required ArcelorMittal to purchase coke from us for its projected requirements above certain fixed thresholds. This extension provides us a guaranteed outlet for coke production through 2020. We also expect that the settlement will significantly reduce the concentration of our profitability in the Jewell coke sales agreement. For example, once our Middletown facility is in full production, which we expect to occur during the second quarter of 2012, we anticipate that none of our coke sales agreements will constitute more than approximately 20 percent of our overall operating income excluding corporate overhead costs, whereas the Jewell coke sales agreement accounted for nearly 80 percent of such income in 2010. If the amendments to the coke supply agreements had been in place during 2010 and 2009, the pretax earnings of the Jewell Coke segment would have been reduced by approximately $69 million and $84 million, respectively, and the pretax earnings of Haverhill facility included in the Other Domestic Coke segment would have been increased by approximately $18 million and $13 million, respectively. We also entered into a settlement agreement with ArcelorMittal to resolve the Indiana Harbor arbitration claims. This settlement was effective January 2011 and will not significantly impact our future income.

Indiana Harbor. On September 30, 2011, we acquired the 19 percent interest held by an affiliate of GE Capital in the Partnership that owns the Indiana Harbor facility for $34.0 million. As a result of this transaction, we now hold an 85 percent interest in the Partnership. The remaining 15 percent interest in the Partnership is owned by an affiliate of DTE Energy Company.

In the fourth quarter of 2011, we recorded approximately $7.0 million related to the resolution of certain contract and billing issues with our customer. The Company is taking measures to mitigate the future impact of this item and does not anticipate that it will have a material impact on our financial results in 2012.

Acquisition of HKCC Companies. In January 2011, we acquired the HKCC Companies and its affiliated companies for approximately $52 million, consisting of net cash payment of $38 million and contingent consideration of $14 million. This acquisition adds between 250 thousand and 300 thousand tons of coal production annually, with the potential to expand production in the future. HKCC has 20 million tons of proven and probable coals reserves located in Russell and Buchanan Counties in Virginia, contiguous to our existing metallurgical coal mining operations.

Middletown Project Execution. We commenced operations at our new Middletown, Ohio cokemaking facility in October 2011. Once fully operational, we expect this facility to produce 550 thousand tons of coke per year and provide, on average, 44 megawatts of electricity per hour. Total costs of the project were approximately $410 million.

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Corporate Separation Transactions. Historically, our operating expenses have included allocations of certain general and administrative costs of Sunoco for services provided to us by Sunoco. Throughout 2011, we have replaced most services provided by Sunoco prior to the Distribution Date and have developed the internal functions, such as financial reporting, tax, regulatory compliance, legal, corporate governance, treasury, internal audit and investor relations, necessary to fulfill our responsibilities as a stand-alone public company. The incremental impact of these operating costs in 2011 was $14.9 million. Additionally, we incurred $7.2 million in nonrecurring operating expense related to headquarter relocation costs and costs associated with hiring key senior management personnel.

Black Lung Obligations. The Patient Protection and Affordable Care Act (PPACA), which was implemented in 2010, amended previous legislation related to coal workers black lung obligations. PPACA provides for the automatic extension of awarded lifetime benefits to surviving spouses and changes the legal criteria used to assess and award claims. Our obligation related to black lung benefits is estimated based on various assumptions, including actuarial estimates, discount rates, and changes in health care costs. The impact of PPACA, coupled with changes in discount rates and other assumptions, increased our black lung benefit obligation by approximately $6.0 million during 2011.

Loss on Firm Purchase Commitments. During the first quarter of 2011, we estimated that Indiana Harbor would fall short of its 2011 annual minimum coke production requirements by approximately 122 thousand tons. Accordingly, we entered into contracts to procure approximately 133 thousand tons of coke from third parties. However, the coke prices in the purchase agreements exceeded the sales price in our contract with ArcelorMittal. This pricing difference resulted in an estimated loss on firm purchase commitments of $18.5 million ($12.2 million attributable to net parent investment and $6.3 million attributable to noncontrolling interest), all of which was recorded during the first quarter of 2011. In the second quarter of 2011, the Company sold 38 thousand tons of this coke to ArcelorMittal. Operational improvements at Indiana Harbor resulting from maintenance and repairs of this facility have increased production since the first quarter and coke production at Indiana Harbor has since met its contractual requirements with ArcelorMittal. We subsequently recorded lower of cost or market adjustments of $1.9 million ($1.4 million attributable to SunCoke Energy, Inc./net parent investment and $0.5 million attributable to noncontrolling interests) on this purchased coke.
In the third quarter of 2011, the Company entered into an agreement to sell approximately 95 thousand tons of this purchased coke to a customer on a consignment basis that will expire on the earlier of July 31, 2012 or full consumption of, and payment for, the coke. If, after July 31, 2012, the customer has not consumed all of the consigned coke, the Company will remove any of the remaining coke from the customer s facility and will be entitled to collect a commitment removal fee. The customer did not consume any coke in fiscal 2011. In January 2012, the customer consumed 7,500 tons of coke.

Financing Activities. Prior to the IPO, our primary source of liquidity was cash from operations and borrowings from Sunoco. Our funding from Sunoco was through floating-rate borrowings from Sunoco, Inc. (R&M), a wholly-owned subsidiary of Sunoco. The agreements between Sunoco and the Company related to these borrowings terminated concurrent with the IPO and all outstanding advances were settled. Prior to the Separation Date, we also earned interest income on $289.0 million in notes receivable from The Claymont Investment Company (Claymont), a then wholly owned subsidiary of Sunoco. In connection with the Separation, Sunoco contributed Claymont to SunCoke Energy. As a result, we no longer earn interest income for these notes, as the balances and related interest are eliminated in our consolidated results. For periods prior to the Separation Date, interest income exceeded interest expense.
Since July 26, 2011, SunCoke Energy has issued $730.0 million in debt. For periods subsequent to the Separation Date, interest expense exceeded interest income. For more information, see the section entitled Liquidity and Capital Resources.

Results of Operations

The following table sets forth amounts from the Combined and Consolidated Statements of Income for the years ended December 31, 2011, 2010 and 2009:

	Years Ended December 31		
	2011	2010	2009
	(Dollars in millions)		
Revenues			
Sales and other operating revenue	$ 1,527.6	$ 1,316.5	$ 1,124.0
Other income, net	11.3	10.0	21.0
Total revenues	1,538.9	1,326.5	1,145.0
Costs and Operating Expenses			
Cost of products sold and operating expenses	1,305.8	1,036.9	860.9
Loss on firm purchase commitments	18.5		
Selling, general and administrative expenses	88.7	67.2	40.2
Depreciation, depletion and amortization	58.4	48.2	32.3
Total costs and operating expenses	1,471.4	1,152.3	933.4
Operating income	67.5	174.2	211.6
Interest income (primarily from affiliate)	12.9	23.7	24.5
Interest cost affiliate	(3.5)	(5.4)	(5.7)
Interest cost	(20.6)		
Capitalized interest	9.8	0.7	1.5
Total financing (expense) income, net	(1.4)	19.0	20.3
Income before income tax expense	66.1	193.2	231.9
Income tax expense	7.2	46.9	20.7
Net income	58.9	146.3	211.2
Less: Net (loss) income attributable to noncontrolling interests	(1.7)	7.1	21.6
Net income attributable to SunCoke Energy, Inc./net parent investment	$ 60.6	$ 139.2	$ 189.6

Year Ended December 31, 2011 compared to Year Ended December 31, 2010

Revenues. Our total revenues, net of sales discounts, were $1,538.9 million for the year ended December 31, 2011 compared to $1,326.5 million for the corresponding period of 2010. The increase was primarily driven by higher sales in our Other Domestic Coke segment due to the pass-through of higher coal prices and an increase in fees. Higher sales in our Coal Mining segment, due to higher coal prices and the contribution from HKCC Companies, also contributed to the increase in revenues. Comparability between periods is impacted by a lower coke sales price in the Jewell Coke segment resulting from contractual amendments with ArcelorMittal that became effective in the first quarter of 2011. Sales price discounts provided to our customers in connection with sharing of nonconventional fuels tax credits were $12.9 million and $12.0 million for the year ended December 31, 2011 and 2010, respectively.

Costs and Operating Expenses. Total operating expenses were $1,471.4 million for the year ended December 31, 2011 compared to $1,152.3 million for the corresponding period of 2010. The increase in cost of products sold and operating expenses was driven by higher purchased coal costs, increased coal and coke volumes and higher coal mining costs. Selling, general and administrative expenses (SG&A) increased $21.5 million in 2011 due to higher corporate expenses associated with public company readiness, increased headcount and relocation costs and higher pre-start up Middletown costs. SG&A expenses in 2010 included legal fees and settlement charges related to the resolution of the Jewell Coke contract amendments and a settlement agreement with ArcelorMittal that resolved Indiana Harbor arbitration claims. Depreciation, depletion and amortization expense increased due to the addition of the Middletown cokemaking facility, the acquisition of HKCC and higher depreciation at our Granite City facility due to prior year capital expenditures.

Financing (Expense) Income, Net. Net financing expense was $1.4 million for the year ended December 31, 2011 compared to $19.0 million in net financing income for the year ended December 31, 2010. The 2011 period reflects $20.6 million of interest expense associated with the issuance of debt and a $10.8 million decrease in interest income from Claymont, a former Sunoco subsidiary, offset by a $9.1 million increase in capitalized interest related to capital projects. Beginning in the third quarter of 2011, the Company used its external interest rate as a basis for capitalizing interest, which was higher than historical rates.

Income Taxes. Income tax expense decreased $39.7 million to $7.2 million for the year ended December 31, 2011 compared to $46.9 million for the corresponding period of 2010. Our effective tax rate, after deducting income attributable to noncontrolling interests, and excluding tax credits and the effects of the Indiana and Illinois statutory rate changes recorded during the second and third quarters of 2011, was 38.3 percent for the year ended December 31, 2011 compared to 35.4 percent for the corresponding period of 2010. Our effective tax rate was higher for the year ended December 31, 2011 compared to December 31, 2010 largely due to the loss of the 2010 manufacturer s deduction for federal income tax purposes. We were not able to utilize this tax benefit in 2011 because we had a federal net operating loss for tax purposes. Nonconventional fuel tax credits increased $0.8 million to $19.8 million for the 2011 period from $19.0 million in the same period of 2010 driven by increased production from the Granite City and Haverhill cokemaking facilities.

Year Ended December 31, 2010 compared to Year Ended December 31, 2009

Revenues. Our total revenues were $1,326.6 million for the year ended December 31, 2010 compared to $1,145.0 million for the corresponding period of 2009. The 16 percent increase was primarily due to sales from our Granite City cokemaking facility which commenced operations in the fourth quarter of 2009. Sales price discounts provided to our customers in connection with sharing of nonconventional fuels tax credits were $12.0 million and $7.8 million for the year ended December 31, 2010 and 2009, respectively.

Costs and Operating Expenses. Total operating expenses were $1,152.3 million for the year ended December 31, 2010 compared to $933.4 million for the corresponding period of 2009. The increase in cost of products sold and operating expenses was primarily attributable to expenses at our Granite City facility and higher purchased coal costs due to higher coke sales volumes at our Haverhill facility also contributed to the increase. SG&A expenses were higher compared to the prior year period due to legal fees and settlement charges related to the resolution of the Jewell Coke contract amendments and a settlement agreement with ArcelorMittal that resolved Indiana Harbor arbitration claims. Depreciation, depletion and amortization expense increased in 2010 due to a full year of depreciation at our Granite City facility, which commenced operations in the fourth quarter of 2009.

Financing (Expense) Income, Net. Net financing income decreased $1.3 million to $19.0 million for the year ended December 31, 2010 compared to $20.3 million for the corresponding period of 2009. The decrease in net financing income was primarily due to a reduction in capitalized interest and lower interest income.

Income Taxes. Income tax expense increased $26.2 million to $46.9 million for the year ended December 31, 2010 compared to $20.7 million for the corresponding period of 2009. Our effective tax rate after deducting income attributable to noncontrolling interests and excluding tax credits was 35.4 percent for the year ended December 31, 2010 compared to 38.3 percent for the corresponding period of 2009. The decrease in the effective tax rate was partially attributable to the recognition of the manufacturing deduction for federal income tax purposes in 2010. We did not realize this benefit in the 2009 period because we had a net operating loss for tax purposes due primarily to bonus depreciation from the Granite City cokemaking facility that was placed in service in the fourth quarter of 2009. The state income tax rate was also lower due to increased income from the Haverhill cokemaking facility, which has a lower effective tax rate. Tax expense increased due to the absence of a one-time $40.7 million gasification investment tax credit associated with the commencement of operations at our Granite City facility in the fourth quarter of 2009. Nonconventional fuels tax credits were essentially unchanged at $19.0 million for the 2010 period as higher tax credits associated with sales from our Granite City cokemaking facility and the second phase of the Haverhill cokemaking facility were partially offset by the absence of credits from sales at the Jewell facility and the first phase of the Haverhill facility, as eligibility for credits from these facilities expired on December 31, 2009.

Results of Reportable Business Segments

We report our business results through four segments:

- Jewell Coke consists of our cokemaking operations located in Vansant, Virginia;

- Other Domestic Coke consists of our Indiana Harbor, Haverhill and Granite City cokemaking and heat recovery operations located in East Chicago, Indiana, Franklin Furnace, Ohio and Granite City, Illinois, respectively. Beginning in the fourth quarter of 2011, our Other Domestic Coke segment included our Middletown, Ohio facility;

- International Coke consists of our operations in Vitória, Brazil, where we operate a cokemaking facility for a Brazilian subsidiary of ArcelorMittal; and

- Coal Mining consists of our metallurgical coal mining activities conducted in Virginia and West Virginia. In addition, we have included the results of the HKCC Companies that we acquired in January 2011 in this segment from the date of acquisition.

Our coke sales agreements in our Jewell Coke and Other Domestic Coke segments contain highly similar contract provisions. Specifically, each agreement includes:

- ***Take-or-Pay Provisions***. Substantially all of our current coke sales are under take-or-pay contracts that require us to produce the contracted volumes of coke and require the customer to purchase such volumes of coke up to a specified tonnage maximum or pay the contract price for any tonnage they elect not to take. As a result, our ability to produce the contracted coke volume and performance by our customers are key determinants of our profitability. We do not have any significant spot coke sales; accordingly spot prices for coke do not generally affect our revenues.

- ***Coal Cost Component with Pass-Through Provisions***. The largest cost component of our metallurgical coke is the cost of purchased coal, including any transportation or handling costs. Under the contracts at our cokemaking facilities in the Other Domestic Coke segment, coal costs are a pass-through component of the coke price, provided that we realize certain targeted coal-to-coke yields. When targeted coal-to-coke yields are achieved, the price of coal is not a significant determining factor in the profitability of these facilities, although it does affect our revenue and cost of sales for these facilities in approximately equal amounts. However, to the extent that the actual coal-to-coke yields are less than the contractual standard, we are responsible for the cost of the excess coal used in the cokemaking process. Conversely, to the extent our actual coal-to-coke yields are higher than the contractual standard, we realize gains.

Under the Jewell coke sales agreement, prior to January 1, 2011, the component of the coke price attributable to coal was equal to the delivered cost of coal applicable to our sales to ArcelorMittal from our Haverhill facility increased by the application of a fixed adjustment factor. As a result of this pricing formula, as coal prices increased, the profitability of our Jewell facility increased, and as coal prices decreased, the profitability of our Jewell cokemaking facility decreased. The coal supply for our Haverhill cokemaking facility has generally been purchased under contracts with terms of one- to two- years. Accordingly, these coal costs were most impacted by market prices at the time these agreements were entered into and were generally not responsive to changes in coal prices during the year. The impact of coal prices on Jewell Coke profitability has therefore lagged the market for spot coal prices.

Beginning January 1, 2011, as a result of the settlement agreement with ArcelorMittal discussed above, the coal component of the price of coke under the Jewell coke sales agreement was amended. The coal component of the Jewell coke price will now be fixed annually for each calendar year based on the weighted-average contract price of third-party coal purchases at our Haverhill facility applicable to ArcelorMittal coke sales. To the extent that contracts for third-party coal purchases at our Haverhill facility convert to pricing mechanisms of less than a year, the Jewell coke price will be adjusted accordingly during that year. The fixed adjustment factor has been eliminated, and as a result, coal prices will no longer significantly affect the financial results of the Jewell Coke segment. The transfer price for coal supplied from our coal mining operations for use at our Jewell cokemaking operations is based on the prices of our annual third-party coal sales agreements if such sales volumes exceed a minimum threshold. If third-party sales volumes do not exceed this threshold, the transfer price is based on annual prices for internal sales to our affiliates. As a result of the different coal pricing mechanisms in the Jewell coke sales agreement and the transfer agreement between Jewell cokemaking and our coal mining operations, the financial results of the Jewell Coke segment may be impacted by annual coal pricing differentials between the two mechanisms. However, because both our coal purchases for Haverhill, which establish the annual coal component for the Jewell coke price, and our third-party coal sales are generally concluded on an annual basis and at similar times of the year, we expect fluctuations to be limited.

Operating Cost Component with Pass-Through or Inflation Adjustment Provisions. Our coke prices include an operating cost component. Operating costs under three of our coke sales agreements are passed through to the respective customers subject to an annually negotiated budget in some cases subject to a cap annually adjusted for inflation, and we share any difference in costs from the budgeted amounts with our customers. Under our other two coke sales agreements, the operating cost component for our coke sales are fixed subject to an annual adjustment based on an inflation index. Accordingly, actual operating costs can have a significant impact on the profitability of all our domestic cokemaking facilities.

Fixed Fee Component. Our coke prices also include a per ton fixed fee component for each ton of coke sold to the customer and is determined at the time the coke sales agreement is signed and is effective for the term of each sales agreement.

Tax Component. Our coke sales agreements also contain provisions that generally permit the pass-through of all applicable taxes (excluding income taxes) related to the production of coke at our facilities.

Coke Transportation Cost Component. Where we deliver coke to our customers via rail, our coke sales agreements also contain provisions that permit the pass-through of all applicable transportation costs related to the transportation of coke to our customers.

Our domestic coke facilities have also realized, and some continue to realize, certain federal income tax credits. Specifically, energy policy legislation enacted in August 2005 created nonconventional fuel tax credits for U.S. federal income tax purposes pertaining to a portion of the coke production at our Jewell cokemaking facility, all of the production at our Haverhill and Granite City cokemaking facilities and all future domestic cokemaking facilities placed into service by January 1, 2010. The credits cover a four-year period, effective the later of January 1, 2006 or the date any new facility is placed into service prior to January 1, 2010. Accordingly, the credits attributable to a portion of production from our Jewell cokemaking facility and all production from the first phase of our Haverhill facility expired on December 31, 2009. The credits attributable to production from the second phase of our Haverhill and our Granite City facility will expire June 2012 and September 2013, respectively. In 2011, 2010 and 2009, the value of these credits was approximately $14.83, $14.67 and $14.55 per ton of coke produced, respectively. We currently share a portion of the tax credits with AK Steel and U.S. Steel for sales from the second phase of our Haverhill facility and our Granite City facility, respectively, through discounts to the sales price of coke.

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We are currently receiving federal income tax credits for coke production from the second phase of our Haverhill cokemaking facility and our Granite City cokemaking facility. We have carried forward approximately $19.0 million in total of qualifying credits from the year ended December 31, 2010 and have generated approximately $19.8 million in qualifying credits for the year ended December 31, 2011. We expect that both the 2010 and 2011 qualifying credits will be used to reduce Sunoco s, rather than SunCoke Energy s, tax liability in future tax returns. To the extent Sunoco ultimately utilizes federal income tax credits for coke production for which it qualified prior to the Distribution, we expect to share a portion of the value of such credits with our customers, but we will not receive the benefits of such credits on our consolidated federal income tax return (pursuant to the tax sharing agreement we entered into in connection with our separation from Sunoco). Sales price discounts provided to our customers in connection with sharing of nonconventional fuels tax credits, which are reflected in the operating results of the Other Domestic Coke segment, totaled $12.9 million, $12.0 million and $7.8 million in the 2011, 2010 and 2009 periods, respectively. Following the Distribution, we will share a portion of the tax credits when we utilize the benefits of such credits on our consolidated federal income tax return. As a result of these discounts, our pretax results for these facilities reflect the impact of these sales discounts, while the actual tax benefits are reflected as a reduction of income tax expense. Accordingly, when the tax credits expire, the results of our Other Domestic Coke segment will increase, but this increase will be more than offset by the increase in our income tax expense.

Revenues from our International Coke segment are derived from licensing and operating fees based upon the level of production from a Brazilian subsidiary of ArcelorMittal. Our revenues also include the full pass-through of the operating costs of the facility. We also receive an annual preferred dividend on our preferred stock investment in the Brazilian project company that owns the facility. In general, the facility must achieve certain minimum production levels for us to receive the preferred dividend.

Revenues from our Coal Mining segment are generated largely from sales of coal to the Jewell cokemaking facility for conversion into metallurgical coke. Some coal is also sold to our other domestic cokemaking facilities. Coal sales to third parties have historically been limited, but they have increased as a result of the HKCC acquisition. Intersegment coal revenues for sales to the Jewell Coke and Other Domestic Coke segments are based on prices that third parties or coke customers of the Other Domestic Coke segment have agreed to pay for our coal and which approximate the market price for this quality of metallurgical coal. Most of the coal sales to these third parties and facilities are under contracts with one- to two-year terms, and as a result coal revenues lag the market for spot coal prices. Accordingly, the revenues from the Coal Mining segment are most affected by the timing of the execution of coal sales agreements with third parties or the customers of our Other Domestic Coke segment. Coal production costs are the other critical factor in the financial results of the Coal Mining segment.

Overhead expenses that can be identified with a segment have been included as deductions in determining operating results of our business segments, and the remaining expenses have been included in Corporate and Other.

Management believes Adjusted EBITDA is an important measure of operating performance and is used as the primary basis for the Chief Operating Decision Maker (CODM) to evaluate the performance of each of our reportable segments. Adjusted EBITDA should not be considered a substitute for the reported results prepared in accordance with US GAAP. See Non-GAAP Financial Measures at the end of this Item.

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Segment Operating Data

The following tables set forth the sales and other operating revenues and Adjusted EBITDA of our segments and other financial and operating data for the years ended December 31, 2011, 2010 and 2009:

	Years ended December 31		
	2011	2010	2009
	(Dollars in millions)		
Sales and other operating revenues:			
Jewell Coke	$ 257.6	$ 298.0	$ 324.6
Jewell Coke intersegment sales		5.8	
Other Domestic Coke	1,187.5	979.5	756.0
International Coke	38.0	38.4	40.4
Coal Mining	44.5	0.6	3.0
Coal Mining intersegment sales	172.1	132.3	119.5
Elimination of intersegment sales	(172.1)	(138.1)	(119.5)
Total	$ 1,527.6	$ 1,316.5	$ 1,124.0
Adjusted EBITDA [1]:			
Jewell Coke	$ 57.6	$ 151.5	$ 182.3
Other Domestic Coke	89.4	78.5	22.7
International Coke	13.7	15.0	23.3
Coal Mining	24.0	(3.6)	11.0
Corporate and Other	(44.2)	(14.1)	(9.1)
Total	$ 140.5	$ 227.3	$ 230.2
Coke Operating Data:			
Capacity Utilization (%)			
Jewell Coke	98	99	99
Other Domestic Coke[2]	100	97	87
Total	100	97	90
Coke production volumes (thousands of tons):			
Jewell Coke	707	715	714
Other Domestic Coke	3,055	2,879	2,155
Total	3,762	3,594	2,869
International Coke production operated facility (thousands of tons)	1,442	1,636	1,263
Coke sales volumes (thousands of tons):			
Jewell Coke[3]	702	721	694
Other Domestic Coke	3,068	2,917	2,119
Total	3,770	3,638	2,813
Coal Operating Data[4]:			
Coal sales volumes (thousands of tons):			
Internal use	1,128	1,275	1,189
Third parties	326	2	25
Total	1,454	1,277	1,214

Coal production (thousands of tons)	1,364	1,104	1,134
Purchased coal (thousands of tons)	117	149	73
Coal sales price per ton (excludes transportation costs)(5)	$ 148.64	$ 103.76	$ 100.45
Coal cash production cost per ton(6)	$ 132.27	$ 105.92	$ 92.07
Purchased coal cost per ton(7)	$ 103.11	$ 87.74	$ 43.10
Total coal production cost per ton(8)	$ 137.23	$ 108.67	$ 93.35

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(1) See definition of Adjusted EBITDA and reconciliation to GAAP below.
(2) Excludes Middletown capacity utilization.
(3) Excludes 17 thousand tons of internal coke sales to our Indiana Harbor cokemaking operations during 2010.
(4) Includes production from Company and contract-operated mines.
(5) Includes sales to affiliates, including sales to Jewell Coke established via a transfer pricing agreement. The transfer price per ton to Jewell Coke was $153.98, $103.74 and $100.19 for 2011, 2010 and 2009, respectively.
(6) Mining and preparation costs, excluding depreciation, depletion and amortization, divided by coal production volume. Coal cash production cost per ton, excluding HKCC, was $142.29, $105.92 and $92.07 for 2011, 2010 and 2009, respectively.
(7) Costs of purchased raw coal divided by purchased coal volume.
(8) Cost of mining and preparation costs, purchased raw coal costs, and depreciation, depletion and amortization divided by coal sales volume. Depreciation, depletion and amortization per ton were $8.89, $6.04 and $4.77 for 2011, 2010 and 2009, respectively.

Analysis of Segment Results

Year Ended December 31, 2011 compared to Year Ended December 31, 2010

Jewell Coke

Sales and Other Operating Revenue

Sales and other operating revenue decreased $40.4 million, or 13.5 percent, to $257.6 million in 2011 compared to $298.0 million in 2010. Comparability between periods was impacted by the ArcelorMittal contract amendments. As a result of the amendments, the absence of the fixed adjustment factor decreased sales revenue by $96.8 million while higher operating cost and fixed fee components from the amendments increased sales revenues by $28.0 million over the prior year period. The combination of these factors resulted in a net decrease of $68.8 million over the prior year period. Sales revenue further decreased $10.3 million due to decreased external sales in 2011 compared to the prior year period. These factors were partially offset by higher average coal and transportation costs and an increase in tons sold to ArcelorMittal, which increased sales revenue by $32.6 million, $3.4 million and 2.8 million, respectively.

Adjusted EBITDA

Adjusted EBITDA from our Jewell Coke segment decreased $93.9 million, or 62 percent, to $57.6 million in 2011 compared to $151.5 million in 2010. Comparability between periods is impacted by the ArcelorMittal contract amendments, which decreased segment earnings by $68.8 million.

Internal coal transfer pricing increased from $103.74 per ton in 2010 to $153.98 per ton in 2011 and negatively impacted Jewell Coke segment earnings by $52.2 million, with a corresponding increase in the earnings of the Coal Mining segment. Other items, including the absence of attractively priced spot coke sales that occurred in the prior year, the consolidated elimination of intersegment coke sales in the prior period and higher operating expenses in the current period further reduced segment earnings by an aggregate of $11.6 million. Excluding the impact of these spot coke sales and intersegment coke sales, the impact of volume changes on Adjusted EBITDA was flat. The impact to earnings due to these higher coal costs and other items was partially offset by $38.7 million of higher revenues, primarily due to the pass-through of higher coal prices, which increased from $130 per ton to $165 per ton. Had the internal transfer price of coal been equal to the contract price of $165 per ton, 2011 earnings would have decreased by $11.5 million in the Jewell Coke segment, with an equal and offsetting increase in the Coal Mining segment.

Depreciation expense, which is not included in segment profitability, increased $0.5 million, from $4.4 million in 2010 to $4.9 million in 2011.

Other Domestic Coke

Sales and Other Operating Revenue

Sales and other operating revenue increased $208.0 million, or 21.2 percent, to $1,187.5 million in 2011 compared to $979.5 million in 2010. The start-up of Middletown operations in the fourth quarter of 2011 contributed $28.6 million to the increase in sales. Excluding Middletown, the increase was mainly attributable to higher pricing driven by the pass-through of higher coal costs, which contributed $115.9 million of the increase. Higher fixed fee revenue and fees for the reimbursement of operating costs contributed $34.9 million to sales revenue. Coke sales volumes also increased 83 thousand tons, or 3 percent, in 2011 compared to 2010, which contributed $27.8 million of the increase. Capacity utilization in 2011 was 100 percent and increased from 97 percent in 2010. Increased capacity utilization at Indiana Harbor and Granite City favorably impacted volume and sales, including energy sales. Sales decreased by $7.0 million in 2011 due to a resolution of certain contract and billing issues with our customer at Indiana Harbor. The Company is taking measures to mitigate the future impact of this item and does not anticipate that it will materially impact 2012.

Adjusted EBITDA

Other Domestic Coke Adjusted EBITDA increased $10.9 million, or 13.9 percent, to $89.4 million for 2011 compared to $78.5 million in 2010. The start-up of Middletown operations in the fourth quarter of 2011 decreased Adjusted EBITDA by $0.4 million. Excluding Middletown, increases in Adjusted EBITDA attributable to contract changes and steam sales were partially offset by decreased recovery of coal and operating costs primarily due to Indiana Harbor results in the first quarter of 2011. Based on the operating results of Indiana Harbor, loss on noncontrolling interest increased $8.8 million. Sales discounts also increased $0.9 million, which are excluded from Adjusted EBITDA.

Haverhill contract changes increased operating cost reimbursement and fixed fee revenue by $17.5 million in 2011. Higher steam and power sales increased segment earnings by $6.8 million.

These increases were partially offset by lower results at Indiana Harbor. During the first three months of 2011, we estimated that Indiana Harbor would fall short of its 2011 annual minimum coke production requirements by approximately 122 thousand tons. We entered into contracts to procure the coke from third parties to meet the projected volume shortfall. However, the coke prices in the purchase agreements exceeded the sales price in our contract with ArcelorMittal. This pricing difference resulted in an estimated loss on firm purchase commitments of $18.5 million ($12.2 million attributable to net parent investment and $6.3 million attributable to noncontrolling interest), all of which was recorded during the first three months of 2011. During the balance of the year, we recorded lower of cost or market adjustments totaling $1.9 million ($1.4 million attributable to SunCoke Energy stockholders equity and $0.5 million attributable to noncontrolling interests) on the purchased coke. Operational improvements at Indiana Harbor resulting from maintenance and repairs at this facility increased volume during the second, third and fourth quarters such that coke production at Indiana Harbor was sufficient to meet contractual requirements with ArcelorMittal. Additionally, higher maintenance and repair costs to address oven reliability issues of approximately $6.4 million, which was not recoverable from our customer, lowered recovery of operating costs in 2011. Finally, the resolution of certain contract and billing issues with our customer at Indiana Harbor decreased Adjusted EBITDA by $7.0 million in 2011. The Company is taking measures to mitigate the future impact of this item and does not anticipate that it will have a material impact in 2012.

Selling, general and administrative expenses decreased by approximately $9.1 million, which was driven primarily by settlement and legal cost incurred at Indiana Harbor in 2010, which was slightly offset by a change in the corporate allocation methodology for Granite City.

Depreciation expense, which is not included in segment profitability, increased $3.7 million, from $35.0 million in 2010 to $38.7 million in 2011.

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International Coke

Sales and Other Operating Revenue

Sales and other operating revenue decreased $0.4 million, or 1 percent, to $38.0 million in 2011 compared to $38.4 million in 2010. Sales and other operating revenue decreased due to lower operating and license fees driven by a 12 percent decrease in coke production, partially offset by a higher pass-through of operating costs.

Adjusted EBITDA

Adjusted EBITDA in the International Coke segment decreased $1.3 million, or 9 percent, to $13.7 million in 2011 compared to $15.0 million in 2010. The decrease is due primarily to lower licensing and operating fees and higher selling, general and administrative expenses in 2011 partially offset by the absence of currency transaction losses recognized in 2010.

Depreciation expense, which is not included in segment profitability, was insignificant in both 2011 and 2010.

Coal Mining

Sales and Other Operating Revenue

Total sales and other operating revenue increased by $83.7 million, or 63 percent, to $216.6 million in 2011 compared to $132.9 million in 2010 due to an increase in coal sales price per ton of $44.88 from $103.76 in 2010 to $148.64 in 2011 and an increase in volume of 177 thousand tons.

Sales and other operating revenue is historically generated largely from sales of coal to the Jewell cokemaking facility and our other domestic cokemaking facilities. Intersegment sales increased $39.8 million, or 30 percent, to $172.1 million in 2011 compared to $132.3 million in 2010 due mainly to an increase in transfer price from $103.74 per ton in 2010 to $153.98 per ton in 2011. The increase in price was partially offset by a 12 percent decrease in internal sales volume as sales to facilities in our Other Domestic Coke segment decreased.

Third party sales in 2011 increased $43.9 million from $0.6 million in 2010 to $44.5 million in 2011. Third party sales during 2010 were insignificant. Existing operations sold 150 thousand external tons in 2011 and contributed $24.7 million to the increase. The acquisition of HKCC contributed 176 thousand tons, or $19.2 million in third party sales, during 2011.

Adjusted EBITDA

Adjusted EBITDA increased $27.6 million to $24.0 million in 2011 from a loss of $3.6 million in 2010. Had the internal transfer price of coal been equal to the contract price of $165 per ton, 2011 earnings would have increased by $11.5 million in the Coal Mining segment, with an equal and offsetting decrease in the Jewell Coke segment.

The increase in Adjusted EBITDA was driven by higher sales offset by higher operating costs of $56.1 million. Our existing mining operations contributed $39.5 million of the increase in operating costs. This increase was driven by increasing reject rates due to variations in the thickness and quality of coal seams, lower productivity due to labor shortages for experienced miners and regulatory compliance requirements, incremental costs associated with training, higher wage rates and implementation of a new bonus program to retain skilled mine employees, and higher royalty payments.

HKCC further contributed $16.7 million in operating costs, which also included a $1.9 million favorable fair value adjustment related to the HKCC contingent consideration arrangement that requires the Company to pay the former owners of HKCC $2.00 per ton of coal for each ton produced from the real property or leased property acquired by HKCC if production levels exceed 150 thousand tons in a calendar year for a period of 20 years or until full exhaustion, whichever comes sooner. This fair value adjustment decreased coal production costs by $1.32 per ton.

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Lower volumes of purchased coal improved Adjusted EBITDA by $1.0 million. Increased selling, general and administrative expenses of $1.0 million related to the acquisition of HKCC and capital expenditures further decreased Adjusted EBITDA for 2011 compared to 2010. Finally, coal cash production costs absorbed in inventory increased $5.8 million for 2011 compared to 2010.

The combined impact of these factors resulted in coal production costs increasing from $108.67 per ton in 2010 to $137.23 per ton in 2011 and coal cash production costs increasing from $105.92 per ton in 2010 to $132.27 per ton in 2011.

Depreciation expense, which is not included in segment profitability, increased $5.2 million, from $7.7 million in 2010 to $12.9 million in 2011 due primarily to the acquisition of HKCC.

Corporate and Other

Corporate expenses increased $30.1 million to $44.2 million in 2011 compared to $14.1 million in 2010. The increase in corporate expenses was driven by $14.9 million in additional headcount and fees required to operate as a public company, $3.6 million in additional headcount and costs related to the planned start-up of the Middletown operations, $7.2 million in headquarters relocation costs and $2.6 million in costs related to Black Lung obligations.

Depreciation expense, which is not included in segment profitability, increased $0.7 million, from $1.0 million in 2010 to $1.7 million in 2011 due primarily to accelerated depreciation and asset write-offs as a result of our corporate headquarters relocation.

Year Ended December 31, 2010 compared to Year Ended December 31, 2009

Jewell Coke

Sales and Other Operating Revenue

Sales and other operating revenue decreased $26.6 million, or 8 percent, to $298.0 million in 2010 compared to $324.6 million in 2009. This decrease was mainly attributable to lower pricing, which contributed $37.2 million of the decrease, offset partially by a $10.6 million increase due to higher sales volumes. In 2010 and 2009, the component of the coke price attributable to coal was equal to the delivered cost of coal applicable to our sales to ArcelorMittal from our Haverhill facility, increased by the application of a fixed adjustment factor. As a result of this pricing formula, as coal prices increased, the sales and profitability of our Jewell facility increased, and as coal prices decreased, the sales and profitability of our Jewell cokemaking facility decreased. In 2010, Jewell pricing and sales were adversely impacted by lower average coal costs at our Haverhill facility, which were $217.37 per ton of coke in 2010 compared to $251.55 per ton of coke in the 2009 period. Jewell Coke also had intercompany sales of approximately 17 thousand tons to Indiana Harbor during 2010.

Adjusted EBITDA

Adjusted EBITDA from our Jewell Coke segment decreased $30.8 million, or 17 percent, to $151.5 million in 2010 compared to $182.3 million in 2009. The decrease in segment earnings was largely driven by a $33.1 million decrease in operating margins due to lower sales pricing and higher internal coal transfer pricing, partially offset by the favorable impact of volume increases. Selling, general and administrative costs increased $3.6 million due to higher legal fees associated with the ArcelorMittal litigation and also contributed to the decrease in segment earnings. As described above, the sales price at Jewel Coke was adversely impacted by lower average coal costs at our Haverhill facility and was the primary driver for the decrease in Adjusted EBITDA in 2010. Margins were also adversely impacted by higher internal coal transfer pricing, which increased 2.9 percent on a per ton basis in 2010. Higher sales volumes had a $6.0 million favorable offset to the decrease in Adjusted EBITDA and were largely due to the timing of shipments for December 2009 production.

Depreciation expense, which is not included in segment profitability, decreased $0.1 million, from $4.5 million in 2009 to $4.4 million in 2010.

Other Domestic Coke

Sales and Other Operating Revenue

Sales and other operating revenue increased $223.5 million, or 30 percent, to $979.5 million in 2010 compared to $756.0 million in 2009. The increase was mainly attributable to the incremental impact of a full year of sales at our Granite City operations, higher pass through costs and volume increases. Granite City commenced operations in the fourth quarter of 2009 and contributed $185.2 million to this increase.

Coke sales volumes, excluding Granite City operations, increased 11.0 percent in 2010 compared to 2009 and contributed $21.2 million to the increase in sales and other operating revenue. Operational improvements at Haverhill increased capacity utilization from 84 percent in 2009 to 100 percent in 2010, which favorably impacted volume and sales, including higher energy sales volumes. This favorable variance was offset by lower volume at Indiana Harbor. Sales and other operating revenue at the Indiana Harbor operations was unfavorably impacted by lower capacity utilization, which decreased from 95 percent in 2009 to 93 percent in 2010. In 2010, capacity utilization at this facility was adversely impacted by operational and force majeure issues and as a result, we did not meet our contractual production minimums. Because our customer did not require the additional coke, we did not incur any contractual penalty for the shortfall. The estimated impact to sales and other operating revenue in 2010 was approximately $13.5 million and is included in the variance above.

Adjusted EBITDA

Other Domestic Coke Adjusted EBITDA increased $55.8 million to $78.5 million for 2010 compared to $22.7 million in 2009. The increase in Adjusted EBITDA was mainly attributable to the incremental impact of a full year of operations at Granite City, which contributed $10.7 million, volume increases and favorable operating margins at Haverhill. This increase was offset partially by higher selling, general and administrative costs, which increased $12.7 million largely due to higher legal and related costs incurred in connection with the resolution of the Indiana Harbor arbitration, and lower operating margins at Indiana Harbor. The change in operating income attributable to noncontrolling interests increased Adjusted EBITDA by $14.3 million in 2010 based on the results of Indiana Harbor. Sales discounts, which are added back to Adjusted EBITDA, also increased $4.2 million as a result of a full year of operations of Granite City and increased volume at Haverhill.

Volume, excluding the impact of Granite City, contributed $14.0 million to the increase in segment earnings. Haverhill volume increased largely due to the resolution of operating difficulties experienced in 2009. Indiana Harbor volume decreased slightly in 2010 compared with 2009 due to operational issues and lower utilization and force majeure events, which impacted segment earnings by $2.9 million.

Operating margins excluding depreciation expense were favorable to the prior year and contributed $25.2 million to the increase in segment earnings. Higher recovery of coal and operating costs at Haverhill was offset partially by a lower recovery at Indiana Harbor. In August 2009, we terminated our coke sales agreement with OAO Severstal and entered into a coke sales agreement with AK Steel. Under the new agreement with AK Steel, certain coal costs related to existing purchase contracts could not be recovered, which adversely impacted segment margins at Haverhill in 2009. Higher coal costs were recovered in 2010, which favorably impacted coal margin at Haverhill. This favorable variance was partially offset by a decline in coal-to-coke yield results at Indiana Harbor. Indiana Harbor coal-to-coke yield results decreased from an $18.1 million benefit in 2009 to a loss of $1.5 million in 2010 due primarily to the adjustment of the contractual coal-to-coke yield standard. Operating margins were also impacted by the absence of $1.5 million in payments received in 2009 at Indiana Harbor for customer-requested reductions in production levels that occurred in the 2009 period.

Depreciation expense, which is not included in segment profitability, increased $13.5 million, from $21.5 million in 2009 to $35.0 million in 2010 primarily as a result of a full year of operations at Granite City.

International Coke

Sales and Other Operating Revenue

Sales and other operating revenue decreased $2.0 million, or 5 percent, to $38.4 million in 2010 compared to $40.4 million in 2009. Sales and other operating revenue decreased due to lower pass-through operating costs offset partially by higher operating and license fees driven by a 30 percent increase in coke production.

Adjusted EBITDA

Adjusted EBITDA in the International Coke segment decreased $8.3 million, or 36 percent, to $15.0 million in 2010 compared to $23.3 million in 2009. This decrease was primarily attributable to the recognition of preferred dividend income in 2009 that related to 2008. We receive an annual preferred dividend on our preferred stock investments in the company that owns the Brazilian facility. In 2009, we recognized both the 2009 and 2008 dividends; $9.5 million of which was attributable to 2008 and was recognized in the second quarter after we determined the preferred dividend to be realizable. In 2009, we completed a restructuring of our operating agreement with ArcelorMittal and now recognize preferred dividend income in the fourth quarter of each year if we have met certain minimum production requirements. Offsetting this decline were higher licensing and operating fees in 2010 due to an increase in coke production.

Depreciation expense, which is not included in segment profitability, was insignificant in both 2010 and 2009.

Coal Mining

Sales and Other Operating Revenue

Sales and other operating revenue is generated largely from sales of coal to the Jewell cokemaking facility and our other domestic cokemaking facilities. Intersegment sales increased $12.8 million to $132.3 million in 2010 compared to $119.5 million in 2009 due mainly to a 7.2 percent increase in volume. Sales prices increased from $100.45 per ton in 2009 to $103.76 per ton in 2010 and contributed $3.9 million to the increase in sales and other operating revenue. Sales prices for intercompany sales are based on prices that third parties or coke customers of the Other Domestic Coke segment have agreed to pay and approximate market at the time of contract execution. Sales to third parties are limited at this time and decreased $2.4 million in 2010 due to lower volume.

Adjusted EBITDA

Adjusted EBITDA decreased $14.6 million in 2010 to a loss of $3.6 million compared to earnings of $11.0 million in 2009. This decrease was primarily driven by lower operating margins and a $2.5 million increase in selling, general and administrative costs. Operating margins were unfavorable to the prior year and contributed $12.1 million to the decrease in segment earnings. Production costs increased $15.32 per ton which was largely attributable to higher spending for materials and supplies, fuel and raw coal purchases. Increased labor costs, in part due to staffing in anticipation of the mine expansion, also contributed to the higher production costs. Slightly higher coal sales prices and volumes partially offset these negative factors.

Depreciation expense, which is not included in segment profitability, increased $1.9 million, from $5.8 million in 2009 to $7.7 million in 2010.

Corporate and Other

Corporate expenses increased $5.0 million to $14.1 million for the year ended December 31, 2010 compared to $9.1 million for the corresponding period of 2009. The increased expenses were largely attributable to higher business development and corporate staffing costs.

Depreciation expense, which is not included in segment profitability, increased $0.6 million, from $0.4 million in 2009 to $1.0 million in 2010.

Liquidity and Capital Resources

Prior to the Separation Date, our primary source of liquidity was cash from operations and borrowings from Sunoco. Our funding from Sunoco had been through floating-rate borrowings from Sunoco, Inc. (R&M), a wholly- owned subsidiary of Sunoco. The agreements between Sunoco and the Company related to these borrowings terminated concurrent with the IPO and all outstanding advances were settled pursuant to the Separation and Distribution Agreement described in Note 3 to the Combined and Consolidated Financial Statements.

Concurrently with the IPO, SunCoke Energy also entered into the Credit Agreement dated as of July 26, 2011 that provides for a seven-year term loan in a principal amount of $300 million (the Term Loan), repayable in equal quarterly installments at a rate of 1.00 percent of the original principal amount per year, with the balance payable on the final maturity date. Additionally, the Credit Agreement provides for up to $75.0 million in uncommitted incremental facilities (the Incremental Facilities) that are available subject to the satisfaction of certain conditions. On December 15, 2011, we borrowed an additional $30.0 million Term Loan as part of the Incremental Facilities. As of December 31, 2011, there was $45.0 million of capacity under the Incremental Facilities. We have $328.4 million outstanding under the Term Loan as of December 31, 2011.

The Credit Agreement also provides for a five-year $150 million revolving facility (the Revolving Facility). The proceeds of any loans made under the Revolving Facility can be used to finance capital expenditures, acquisitions, working capital needs and for other general corporate purposes. In the fourth quarter of 2011, we utilized the Revolving Facility to fund the completion and start-up of our Middletown facility. We did not have any outstanding borrowings under the Revolving Facility as of December 31, 2011.

Concurrently with the IPO, SunCoke Energy issued $400 million aggregate principal amount of senior notes (the Notes) that bear interest at a rate of 7.625 percent per annum and will mature in 2019 with all principal paid at maturity.

Net proceeds from the issuance of the Notes, Term Loan and Incremental Facilities were $708.8 million, which reflected a discount reduction of $2.1 million and debt issuance costs and fees of $19.1 million. The net proceeds were used to repay certain intercompany indebtedness to Sunoco of $575.0 million and for general corporate purposes.

Following the Separation Date, our primary sources of liquidity are cash on hand, cash from operations and borrowings under the debt financing arrangements described above. We believe these sources will be sufficient to fund our planned operations, including capital expenditures and stock repurchases.

The following table sets forth a summary of the net cash provided by (used in) operating, investing and financing activities for the years ended December 31, 2011, 2010 and 2009:

	Years ended December 31		
	2011	2010	2009
	(Dollars in millions)		
Net cash provided by operating activities	$ 101.3	$ 296.6	$ 187.2
Net cash used in investing activities	(275.7)	(213.9)	(215.1)
Net cash provided by (used in) financing activities	261.8	(45.3)	7.6
Net increase (decrease) in cash and cash equivalents	$ 87.4	$ 37.4	$ (20.3)

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Cash Provided by Operating Activities

Net cash provided by operating activities of $101.3 million decreased by $195.3 million for the year ended December 31, 2011 as compared to the corresponding period in 2010. The decrease was primarily attributable to increases in working capital in 2011 largely due to an increase in coal inventory, an increase in coke inventory to meet the projected shortfall at Indiana Harbor and higher accounts receivable, offset partly by higher accounts payable related to inventory purchases. The increase in coal inventory was due in part to the start-up of Middletown operations, which contributed $20.9 million to the increase. The remaining increase was in the Other Domestic Coke segment and was primarily due to an increase in coal inventory volume that resulted from additional purchases made in the third quarter in response to tightness in coal supply due to force majeure events experienced by coal suppliers in the first and second quarters of 2011. The Company anticipates that coal inventory levels will be reduced over the first two quarters of 2012. Lower net income also contributed to the decrease in cash flow from operations. The year ended December 31, 2010 included a reduction in working capital largely attributable to lower accounts receivable balances from a customer that deferred payment at December 31, 2009.

Net cash provided by operating activities increased by $109.4 million for the year ended December 31, 2010 as compared to the corresponding period in 2009. The increase was primarily attributable to reductions in working capital in 2010 largely due to collection of a payment deferred by one customer in December 2009 and an increase in accounts payable and accrued liabilities, which was primarily attributable to the timing of coal payments. Lower net income in 2010 partially offset the cash generated by working capital reductions.

Cash Used in Investing Activities

Cash used in investing activities of $275.7 million increased $61.8 million for the year ended December 31, 2011 as compared to the corresponding period in 2010. The increase was due to higher capital expenditures primarily associated with the construction of the Middletown facility and the acquisition of the HKCC Companies.

Cash used in investing activities decreased by $1.2 million for the year ended December 31, 2010 compared to the corresponding period of 2009. The decrease was largely due to lower expansion capital expenditures partially offset by higher ongoing capital expenditures.

For a more detailed discussion of our capital expenditures, see Capital Requirements and Expenditures below.

Cash Provided by (Used in) Financing Activities

Net cash provided by financing activities of $261.8 million increased by $307.1 million for the year ended December 31, 2011 compared to the corresponding period in 2010. The increase was primarily a result of the issuance of the Notes, Term Loan and Incremental Facilities described above offset by repayments to the Sunoco affiliate and the Company s acquisition of an additional 19% ownership interest in the Partnership that owns the Indiana Harbor cokemaking facility for $34.0 million.

Net cash used in financing activities was $45.3 million and decreased by $52.9 million for the year ended December 31, 2010 compared to the corresponding period in 2009. This decrease was the result of reduced borrowings from an affiliate of Sunoco partially offset by the absence of repayments to affiliates of Sunoco of revolving credit and deficit funding arrangements during 2008.

Capital Requirements and Expenditures

Our cokemaking and coal mining operations are capital intensive, requiring significant investment to upgrade or enhance existing operations and to meet environmental and operational regulations. Our capital requirements have consisted, and are expected to consist, primarily of:

- ongoing capital expenditures required to maintain equipment reliability, the integrity and safety of our coke ovens, steam generators and coal mines and to comply with environmental regulations;

environmental remediation capital expenditures required to implement design changes to ensure that our existing facilities operate in accordance with existing environmental permits; and

expansion capital expenditures to acquire and/or construct complementary assets to grow our business and to expand existing facilities, such as projects that increase coal production from existing mines or that increase metallurgical coke production from existing facilities.

The following table summarizes ongoing and expansion capital expenditures:

	Years ended December 31		
	2011	2010	2009
	(Dollars in millions)		
Ongoing capital	$ 57.3	$ 45.9	$ 28.2
Expansion capital[1]			
Middletown	169.4	169.7	25.4
Granite City			146.2
Haverhill			15.4
Coal Mining	11.4		
	180.8	169.7	187.0
Total	$ 238.1	$ 215.6	$ 215.2

(1) Excludes the acquisition of the HKCC Companies.

Our capital expenditures for 2012 are expected to be approximately $120 million, of which ongoing capital expenditures are anticipated to be approximately $60 million in 2012. Ongoing capital expenditures are capital expenditures made to replace partially or fully depreciated assets in order to maintain the existing operating capacity of the assets and/or to extend their useful lives. Ongoing capital expenditures also include new equipment that improves the efficiency, reliability or effectiveness of existing assets. Ongoing capital expenditures do not include normal repairs and maintenance expenses, which are expensed as incurred. We anticipate spending $40 million for expansion capital in 2012 primarily related to our coal expansion project. We anticipate spending $20 million in environmental remediation capital to enhance the environmental performance at our Haverhill and Granite City cokemaking operations. Environmental remediation capital expenditures in 2011, 2010 and 2009 were immaterial.

Our business is capital intensive, requiring capital to fund the construction or acquisition of assets and to maintain such assets. The level of future capital expenditures will depend on various factors, including market conditions and customer requirements, and may differ from current or anticipated levels. Material changes in capital expenditures levels may impact financial results, including but not limited to the amount of depreciation, interest expense and repair and maintenance expense.

Management believes our operating cash flows and the Revolving Facilities and the Incremental Facilities should provide sufficient funds to satisfy our capital expenditure needs.

Contractual Obligations

The following table summarizes our significant contractual obligations as of December 31, 2011:

	Total	2012	Payment Due Dates 2013-2014	2015-2016	Thereafter
			(Dollars in millions)		
Total Debt:					
Principal	$ 728.4	$ 3.3	$ 6.6	$ 6.6	$ 711.9
Interest	323.7	45.2	89.0	88.2	101.3
Operating leases[(1)]	19.8	3.2	6.7	5.2	4.7
Purchase obligations:					
Coal	1,059.8	1,059.8			
Transportation and coal handling[(2)]	789.6	134.2	111.7	102.8	440.9
Obligations supporting financing arrangements[(3)]	7.0	4.7	2.3		
Properties, plants and equipment	0.7	0.7			
Other[(4)]	43.5	27.5	3.8	3.4	8.8
Total	$ 2,972.5	$ 1,278.6	$ 220.1	$ 206.2	$ 1,267.6

(1) Our operating leases include leases for office space, land, locomotives, office equipment and other property and equipment. Operating leases include all operating leases that have initial noncancelable terms in excess of one year.

(2) Transportation and coal handling services consist primarily of railroad and terminal services attributable to delivery and handling of coal purchases and coke sales. Long-term commitments generally relate to locations for which limited transportation options exist and match the length of the related coke sales agreement.

(3) Represents fixed and determinable obligations to secure coal handling services at the Indiana Harbor cokemaking facility.

(4) Primarily represents open purchase orders for materials and supplies.

A purchase obligation is an enforceable and legally binding agreement to purchase goods or services that specifies significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Our principal purchase obligations in the ordinary course of business consist of coal and transportation and distribution services, including railroad services. We also have contractual obligations supporting financing arrangements of third parties, contracts to acquire or construct properties, plants and equipment, and other contractual obligations, primarily related to services and materials. Most of our coal purchase obligations are based on fixed prices. These purchase obligations generally include fixed or minimum volume requirements. Transportation and distribution obligations also typically include required minimum volume commitments. The purchase obligation amounts in the table above are based on the minimum quantities or services to be purchased at estimated prices to be paid based on current market conditions. Accordingly, the actual amounts may vary significantly from the estimates included in the table.

Off-Balance Sheet Arrangements

Other than the arrangements described in Note 17 to the Combined and Consolidated Financial Statements, the Company has not entered into any transactions, agreements or other contractual arrangements that would result in off-balance sheet liabilities.

Impact of Inflation

Although the impact of inflation has slowed in recent years, it is still a factor in the U.S. economy and may increase the cost to acquire or replace properties, plants, and equipment and may increase the costs of labor and supplies. To the extent permitted by competition, regulation and existing agreements, we have generally passed along increased costs to our customers in the form of higher fees and we expect to continue this practice.

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Critical Accounting Policies

A summary of our significant accounting policies is included in Note 2 to the Combined and Consolidated Financial Statements. Our management believes that the application of these policies on a consistent basis enables us to provide the users of the financial statements with useful and reliable information about our operating results and financial condition. The preparation of our Combined and Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosures of contingent assets and liabilities. Significant items that are subject to such estimates and assumptions consist of: (1) properties, plants and equipment; (2) retirement benefit liabilities; (3) black lung benefit obligations; and (4) deferred income taxes. Although our management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, actual results may differ to some extent from the estimates on which our Combined and Consolidated Financial Statements have been prepared at any point in time. Despite these inherent limitations, our management believes the Management s Discussion and Analysis of Financial Condition and Results of Operations and Combined and Consolidated Financial Statements provide a meaningful and fair perspective of our financial condition.

Properties, Plants and Equipment

The cost of plants and equipment is generally depreciated on a straight-line basis over the estimated useful lives of the assets. Useful lives of assets which are depreciated on a straight-line basis are based on historical experience and are adjusted when changes in the expected physical life of the asset, its planned use, technological advances, or other factors show that a different life would be more appropriate. Changes in useful lives that do not result in the impairment of an asset are recognized prospectively. The lease and mineral rights are capitalized and amortized to operations as depletion expense using the units-of-production method.

Normal repairs and maintenance costs are expensed as incurred. Amounts incurred that extend an asset s useful life, increase its productivity or add production capacity are capitalized. Direct costs, such as outside labor, materials, internal payroll and benefit costs, incurred during the construction of a new facility are capitalized; indirect costs are not capitalized. Repairs and maintenance costs were $93.7 million, $65.8 million and $48.9 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Long-lived assets, other than those held for sale, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Such events and circumstances include, among other factors: operating losses; unused capacity; market value declines; changes in the expected physical life of an asset; technological developments resulting in obsolescence; changes in demand for our products or in end-use goods manufactured by others utilizing our products as raw materials; changes in our business plans or those of our major customers, suppliers or other business partners; changes in competition and competitive practices; uncertainties associated with the United States and world economies; changes in the expected level of capital, operating or environmental remediation expenditures; and changes in governmental regulations or actions. Additional factors impacting the economic viability of long-lived assets are described under Cautionary Statement Concerning Forward-Looking Statements.

A long-lived asset that is not held for sale is considered to be impaired when the undiscounted net cash flows expected to be generated by the asset are less than its carrying amount. Such estimated future cash flows are highly subjective and are based on numerous assumptions about future operations and market conditions. The impairment recognized is the amount by which the carrying amount exceeds the fair market value of the impaired asset. It is also difficult to precisely estimate fair market value because quoted market prices for our long-lived assets may not be readily available. Therefore, fair market value is generally based on the present values of estimated future cash flows using discount rates commensurate with the risks associated with the assets being reviewed for impairment. We have had no significant asset impairments during the years ended December 31, 2011, 2010 and 2009.

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Retirement Benefit Liabilities

Pension Benefit Liabilities. We have obligations totaling $35.8 million in connection with a funded noncontributory defined benefit pension plan. Effective January 1, 2011, benefits under this plan were frozen for all eligible participants. In addition, we have postretirement welfare benefit plans that provide health care benefits for substantially all of our current retirees. Medical benefits under these plans were also phased out or eliminated for most non-mining employees with less than 10 years of service on January 1, 2011. Our future contributions for these plans will also be subject to an annual cap for all those who are still eligible for these benefits. The postretirement welfare benefit plans are unfunded and have historically been paid by us subject to deductibles and coinsurance that have been the responsibility of retirees. The principal assumptions that impact the determination of both expense and benefit obligations for our pension plan is the discount rate and the long-term expected rate of return on plan assets. The discount rate and the health care cost trend rate are the principal assumptions that impact the determination of expense and benefit obligations for our postretirement health care benefit plans. However, the impact of the health care trend rate has been greatly mitigated by the cap on our contributions.

We determine the discount rates for our pension and other postretirement welfare benefit obligations on the measurement date by reference to annualized rates earned on high quality fixed income investments and yield-to-maturity analysis specific to each plans estimated future benefit payments. The present values of our future pension and other postretirement welfare obligations were determined using discount rates of 4.25 and 3.90 percent, respectively, at December 31, 2011 and 5.00 and 4.60 percent, respectively, at December 31, 2010. Our expense under these plans is generally determined using the discount rate as of the beginning of the year, or using a weighted-average rate when curtailments, settlements and/or other events require a plan remeasurement. The weighted-average discount rate for the pension plan was 5.00, 5.60 and 6.00 percent for 2011, 2010, and 2009, respectively. The weighted-average discount rate for postretirement welfare plans was 4.60, 5.30 and 6.05 percent for 2011, 2010 and 2009, respectively.

The long-term expected rate of return on plan assets was assumed to be 8.25 percent for each of the last three years. A long-term expected rate of return of 4.25 percent on plan assets is anticipated to be used to determine our pension expense for 2012. The expected rate of return on plan assets is estimated utilizing a variety of factors including the historical investment return achieved over a long-term period, the targeted allocation of plan assets and expectations concerning future returns in the marketplace for both equity and fixed income securities. For fiscal 2012, the target asset allocation and strategy was modified to implement a 100% allocation to a portfolio of investment grade fixed income securities with a weighted average duration approximately equal to the duration of the pension plan s benefit obligation. Therefore, the long-term expected rate of return for 2012 has been modified to reflect the 20 year compound average of simulated expected returns of the new fixed income portfolio based on market conditions as of the beginning of 2012 and reflect blended reversion to long-term normative assumptions. In determining pension expense, we apply the expected rate of return to the fair market value of plan assets at the beginning of the year.

The expected rate of return on plan assets is designed to be a long-term assumption. It generally will differ from the actual annual return, which is subject to considerable year-to-year variability. In each of the last three years, our pension plan assets were invested in a trust with the assets of other pension plans of Sunoco. Per the Separation and Distribution Agreement, these assets were separated from the Sunoco trust in January 2012 and were transferred to a newly formed trust established for our pension plan. For 2011, the pension plan assets generated a positive return of 6.7 percent compared to a return of 16.0 percent for 2010 and a return of 25.2 percent in 2009. For the 15-year period ended December 31, 2011, the compounded annual investment return on our pension plan assets was a positive return of 7.1 percent. While the 15-year period return is below our long-term expected rate of return for fiscal 2011, we believe that this is largely a result of the negative return during 2008, which was one of the worst asset return periods in history as a result of the financial crisis in the second half of that year. As permitted by existing accounting rules, we do not currently recognize in pension expense the difference between the expected and actual return on assets. Rather, the difference along with other actuarial gains or losses resulting from changes in actuarial assumptions used in accounting for the plans (primarily the discount rate) and differences between actuarial assumptions and actual experience are fully recognized in the Combined and Consolidated Balance Sheets. If such actuarial gains and losses on a cumulative basis exceed 10 percent of the projected benefit obligation (or the fair market value of plan assets, if larger), the excess is amortized into net income as a component of pension or postretirement welfare benefits expense generally over the average remaining service period of plan participants still employed with us, which currently is approximately 13 years for the pension plans and approximately 9 years for the postretirement welfare benefit plans. At December 31, 2011, the accumulated net actuarial loss (gain) for defined benefit and postretirement welfare benefit plans was $15.6 million and $18.7 million, respectively.

Other Post-Employment Benefit Liabilities. We also have unrecognized prior service benefits attributable to our postretirement benefit plans of approximately $24.0 million at December 31, 2011, which is primarily attributable to the phase down or elimination of retiree medical benefits described above. Most of the benefit of this liability reduction will be amortized into income through 2016.

The initial health care cost trend assumptions used to compute the accumulated postretirement welfare benefit obligation were increases of 9.00 percent, 7.75 percent and 8.25 percent at December 31, 2011, 2010 and 2009, respectively. These trend rates were assumed to decline gradually to 5.00 percent in 2020 as of December 31, 2011 and to 2017 as of December 31, 2010 and December 31, 2009; the trend assumption remains at that level thereafter.

Set forth below are the estimated increases in pension and postretirement welfare benefits expense and benefit obligations that would occur in 2012 from a change in the indicated assumptions:

	Change in Rate	Expense[(2)]	Benefit Obligations[(1)(2)]
		(Dollars in millions)	
Pension benefits:			
Decrease in the discount rate	0.25%	$	$ 1.0
Decrease in the long-term expected rate of return on plan assets	0.25%	$ 0.1	$
Postretirement welfare benefits:			
Decrease in the discount rate	0.25%	$	$ 1.0
Increase in the annual health care cost trend rates	1.00%	$	$

(1) Represents both the increase in accumulated benefit obligation and the projected benefit obligation for our defined benefit pension plan and the accumulated postretirement benefit welfare obligations for our postretirement welfare benefit plans.

(2) Certain expense and benefit obligation changes are less than $0.1 million and are not reflected in the table.

Black Lung Benefit Liabilities

We have obligations related to coal workers pneumoconiosis, or black lung, benefits to certain of our employees and former employees (and their dependents). Such benefits are provided for under Title IV of the Federal Coal Mine Health and Safety Act of 1969 and subsequent amendments, as well as for black lung benefits provided in the states of Virginia, Kentucky and West Virginia pursuant to workers compensation legislation. The Patient Protection and Affordable Care Act (PPACA), which was implemented in 2010, amended previous legislation related to coal workers black lung obligations. PPACA provides for the automatic extension of awarded lifetime benefits to surviving spouses and changes the legal criteria used to assess and award claims. We act as a self-insurer for both state and federal black lung benefits and adjust our liability each year based upon actuarial calculations of our expected future payments for these benefits. Charges against income for black lung benefits amounted to $8.7 million, $4.8 million and $0.7 million during the years ended December 31, 2011, 2010 and 2009, respectively.

Our independent actuaries annually calculate the actuarial present value of the estimated black lung liability based on assumptions regarding disability incidence, medical costs, mortality, death benefits, dependents and discount rates. The discount rate is determined based on a portfolio of high-quality corporate bonds with maturities that are consistent with the estimated duration of our black lung obligations. For the years ended December 31, 2011, 2010 and 2009, the discount rate used to calculate the period end liability was 4.50, 5.00 and 6.00 percent respectively. A 0.25 percent decrease in the discount rate would have increased 2011 coal workers black lung expense by $1.1 million.

The estimated liability recognized in our financial statements at December 31, 2011 and 2010 was $33.5 million and $26.6 million, respectively. Changes in actuarial assumptions, including the discount rate, mortality assumptions and the impact of the PPACA, increased our black lung obligation by approximately $6.0 million at December 31, 2011. For the year ended December 31, 2011, we paid black lung benefits of approximately $2.1 million. Our obligations with respect to these liabilities are unfunded at December 31, 2011.

Deferred Income Taxes

Prior to the Distribution Date, SunCoke Energy and certain subsidiaries of Sunoco were included in the consolidated federal and certain consolidated, combined or unitary state income tax returns filed by Sunoco. However, SunCoke Energy s provision for income taxes and the deferred income tax amounts reflected in the Combined and Consolidated Financial Statements have been determined on a theoretical separate-return basis. Prior to the Separation Date, any current federal and state income tax amounts were settled with Sunoco under a previous tax sharing arrangement. Under this previous tax sharing arrangement, net operating losses and tax credit carryforwards generated on a theoretical separate-return basis could be used to offset future taxable income determined on a similar basis. Such benefits were reflected in the Company s deferred tax assets, notwithstanding the fact that such net operating losses and tax credits may actually have been realized on Sunoco s consolidated income tax returns, or may be realized in future Sunoco consolidated income tax returns (for periods through the Distribution Date). Our Combined and Consolidated Balance Sheets as of December 31, 2011 and 2010 included deferred income taxes assets (net of valuation allowances) attributable to tax credits and net operating loss carryforwards, determined on a theoretical separate-return basis, totaling $72.2 million and $121.5 million, respectively.

On the Separation Date, SunCoke Energy and Sunoco entered into a new tax sharing agreement that governs the parties respective rights, responsibilities and obligations with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and other matters regarding taxes. Under the new tax sharing agreement, certain deferred tax assets attributable to net operating losses and credit carry forwards, which had been reflected in SunCoke Energy s balance sheets prior to the Separation Date on a standalone theoretical basis, are no longer realizable by SunCoke Energy. Accordingly, deferred tax benefits totaling $98.1 million and $18.8 million were eliminated from the Combined and Consolidated Balance Sheet in the 2011 third and fourth quarters, respectively, with a corresponding reduction in SunCoke Energy s equity accounts.

Additionally, we do not expect to retain any of the remaining federal income tax credits or net operating loss carryforwards that have been previously recognized as deferred income tax assets or that may be generated prior to the Distribution Date. However, we may retain certain state tax credit or net operating loss carryforwards, which have been recognized as deferred tax assets on our Combined and Consolidated Balance Sheet and that may be used to reduce our future income tax liabilities. At December 31, 2011, we estimate that approximately $64.6 million in federal tax benefits and certain state tax benefits may not be realized by SunCoke Energy. These benefits will continue to be reflected in SunCoke Energy s balance sheet until it is determined pursuant to the terms of the tax sharing agreement that such benefits are not subject to allocation to SunCoke Energy, and hence, will not be realizable in SunCoke Energy s standalone tax returns. To the extent any tax assets or liabilities computed on this basis differ from amounts actually payable or realizable under the provisions of the new tax sharing agreement, adjustments to the tax assets and liabilities will be reflected as a dividend to, or capital contribution from, Sunoco when such amounts have been effectively settled under the terms of the tax sharing agreement.

We are currently receiving federal income tax credits for coke production from the second phase of our Haverhill cokemaking facility and our Granite City cokemaking facility. These tax credits are earned for each ton of coke produced and sold and expire four years after the initial coke production at the facility. The tax credit eligibility for coke production from the second phase of the Haverhill facility and the Granite City facility will expire in June 2012 and September 2013, respectively. In 2011, 2010 and 2009, the value of these credits was approximately $14.83 per ton, $14.67 per ton and $14.55 per ton of coke produced, respectively. We share with our customers a portion of the value of these credits, when utilized, through sales discounts to their respective coke prices. Sales discounts provided to our customers were $12.9 million, $12.0 million and $7.8 million in 2011, 2010 and 2009, respectively. We have carried forward qualifying credits of approximately $19.0 million from the year ended December 31, 2010 and has generated approximately $19.8 million in total qualifying credits for the year ended December 31, 2011. We expect that both the 2010 and 2011 qualifying credits will be used to reduce Sunoco s, and not SunCoke Energy s, tax liability in future tax returns. To the extent Sunoco ultimately utilizes federal income tax credits for coke production for which it qualified prior to the Distribution, we expect to share a portion of the value of such credits with our customers but, pursuant to the tax sharing agreement we entered into in connection with our separation from Sunoco, we will not receive the benefits of such credits on our consolidated federal income tax return. At December 31, 2011, we had $24.9 million accrued related to sales discounts that had not yet been shared with our customers.

See Note 8 to our Combined and Consolidated Financial Statements for additional information.

Arrangements Between Sunoco and SunCoke Energy, Inc.

In connection with the IPO, SunCoke Energy and Sunoco entered into certain agreements that effected the separation of SunCoke Energy s business from Sunoco, provided a framework for its relationship with Sunoco after the separation and provided for the allocation between SunCoke Energy and Sunoco of Sunoco s assets, employees, liabilities and obligations attributable to periods prior to, at and after SunCoke Energy s separation from Sunoco.

Separation and Distribution Agreement. On the Separation Date, SunCoke Energy and Sunoco entered into the separation and distribution agreement, which set forth the agreements between SunCoke Energy and Sunoco regarding the principal corporate transactions required to effect SunCoke Energy s separation from Sunoco, the IPO and the distribution, if any, of SunCoke Energy s shares to Sunoco s shareholders, and other agreements governing the relationship between Sunoco and SunCoke Energy.

The separation and distribution agreement identified assets to be transferred, liabilities to be assumed and contracts to be assigned to each of SunCoke Energy and Sunoco as part of the separation of Sunoco into two companies. Except as expressly provided, all assets were transferred on an as is, where is basis. In general, each party to the separation and distribution agreement assumed liability for all pending, threatened and unasserted legal matters related to its own business or its assumed or retained liabilities and will indemnify the other party for any liability to the extent arising out of or resulting from such assumed or retained legal matters. In addition, the separation and distribution agreement provides for cross-indemnities principally designed to place financial responsibility for the obligations and liabilities of SunCoke Energy s business with SunCoke Energy and financial responsibility for the obligations and liabilities of Sunoco s business with Sunoco.

The separation and distribution agreement allocates responsibility with respect to certain employee related matters, particularly with respect to Sunoco employee benefit plans in which any SunCoke Energy employees participate or SunCoke Energy employee benefit plans which hold assets in joint trusts with Sunoco. In addition, the separation and distribution agreement provides for certain adjustments with respect to Sunoco equity compensation awards that occurred when Sunoco completed the distribution.

Tax Sharing Agreement. On the Separation Date, SunCoke Energy and Sunoco entered into a tax sharing agreement that governs the parties respective rights, responsibilities and obligations with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and other matters regarding taxes. For a detailed discussion of the tax sharing agreement, see Note 8 to our Combined and Consolidated Financial Statements.

Transition Services Agreement. On the Separation Date, SunCoke Energy and Sunoco entered into a transition services agreement in connection with the separation. Pursuant to the transition services agreement, Sunoco provides certain support services to SunCoke Energy, including, among others, information technology, treasury, risk management and insurance, tax, internal audit and various other corporate services, in each case consistent with the services provided by Sunoco to SunCoke Energy before the separation. The charges for the transition services generally are intended to allow Sunoco to fully recover the costs directly associated with providing the services, plus all out-of-pocket costs and expenses, generally without profit. The services provided under the transition services agreement will terminate at various times specified in the agreement (generally terminating upon completion of the Distribution on January 17, 2012). SunCoke Energy may terminate certain specified services by giving prior written notice to Sunoco of such services and paying any applicable termination charge.

Guaranty, Keep Well, and Indemnification Agreement. On the Separation Date, SunCoke Energy and Sunoco entered into a guaranty, keep well, and indemnification agreement. Under this agreement, SunCoke Energy: (1) guarantees the performance of certain obligations of its subsidiaries, prior to the date that Sunoco or its affiliates may become obligated to pay or perform such obligations, including the repayment of a loan from Indiana Harbor Coke Company L.P.; (2) indemnifies, defends, and holds Sunoco and its affiliates harmless against all liabilities relating to these obligations; and (3) restricts the assets, debts, liabilities and business activities of one of its wholly owned subsidiaries, so long as certain obligations of such subsidiary remain unpaid or unperformed. In addition, SunCoke Energy releases Sunoco from its guaranty of payment of a promissory note owed by one of its subsidiaries to another of its subsidiaries.

Recent Accounting Standards

There are no recently issued accounting standards which are not yet effective that we believe would materially impact our financial statements.

Non-GAAP Financial Measures

In addition to the GAAP results provided in the Annual Report on Form 10-K, we have provided certain non-GAAP financial measures which include Adjusted EBITDA and Free Cash Flow. Reconciliation from GAAP to non-GAAP measurements are presented below.

Our management, as well as certain investors, uses these non-GAAP measures to analyze our current and expected future financial performance. These measures are not in accordance with, or a substitute for, GAAP and may be different from, or inconsistent with, non-GAAP financial measures used by other companies.

Adjusted EBITDA. Adjusted EBITDA represents earnings before interest, taxes, depreciation, depletion and amortization (EBITDA) adjusted for sales discounts and the deduction of income attributable to noncontrolling interests in our Indiana Harbor cokemaking operations. EBITDA reflects sales discounts included as a reduction in sales and other operating revenue. The sales discounts represent the sharing with customers of a portion of nonconventional fuels tax credits, which reduce our income tax expense. However, we believe our Adjusted EBITDA would be inappropriately penalized if these discounts were treated as a reduction of EBITDA since they represent sharing of a tax benefit that is not included in EBITDA. Accordingly, in computing Adjusted EBITDA, we have added back these sales discounts. Our Adjusted EBITDA also reflects the deduction of income attributable to noncontrolling interests in our Indiana Harbor cokemaking operations. EBITDA and Adjusted EBITDA do not represent and should not be considered alternatives to net income or operating income under GAAP and may not be comparable to other similarly titled measures in other businesses. Management believes Adjusted EBITDA is an important measure of the operating performance of the Company s net assets and is indicative of the Company s ability to generate cash from operations.

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Below is a reconciliation of Adjusted EBITDA to its closest GAAP measure:

	Year Ended December 31		
	2011	2010	2009
	(Dollars in millions)		
Adjusted EBITDA	$ 140.5	$ 227.3	$ 230.2
Subtract: Depreciation, depletion and amortization	58.4	48.2	32.3
Subtract (Add): Financing expense (income), net	1.4	(19.0)	(20.3)
Subtract: Income tax expense	7.2	46.9	20.7
Subtract: Sales discount provided to customers due to sharing of nonconventional fuels tax credits	12.9	12.0	7.8
Subtract (Add): Net loss (income) attributable to noncontrolling interest	1.7	(7.1)	(21.5)
Net income	$ 58.9	$ 146.3	$ 211.2

Below is a reconciliation of 2012 Estimated Adjusted EBITDA to its closest estimated GAAP measure:

	2012	
	Low	High
	(Dollars in millions)	
Adjusted EBITDA	$ 250	$ 280
Subtract: Depreciation, depletion and amortization	74	72
Subtract: Financing expense, net	48	46
Subtract: Income tax expense	25	37
Subtract: Sales discount provided to customers due to sharing of nonconventional fuels tax credits	11	10
Add: Net income attributable to noncontrolling interest	6	7
Net income	$ 98	$ 122

Free Cash Flow. Free Cash Flow is the primary measure that management uses to monitor our cash flow performance, and therefore, management believes this information is useful to investors. We define Free Cash Flow as net cash provided by operating activities, less cash used in investing activities less distributions to noncontrolling interest holders. Free Cash Flow is a measure of cash that is available for financing activities, including debt service requirements and contractual obligations, or may be available for return to stockholders via dividends or share repurchases. This non-GAAP measure is provided as supplemental information and should not be considered in lieu of the GAAP measures.

The reconciliation to the most comparable GAAP measurement is calculated as follows:

	Year Ended December 31		
	2011	2010	2009
	(Dollars in millions)		
Net cash provided by operating activities	$ 101.3	$ 296.6	$ 187.2
Net cash used in investing activities	(275.7)	(213.9)	(215.1)
Distributions to noncontrolling interests	(1.6)	(20.9)	(18.6)
Free Cash Flow	$ (176.0)	$ 61.8	$ (46.5)

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The GAAP measures of cash flows from financing activities for the period presented above are presented in our Combined and Consolidated Statements of Cash Flows and are as follows:

	Year Ended December 31		
	2011	2010	2009
	(Dollars in millions)		
Net cash provided by (used in) in financing activities	$ 261.8	$ (45.3)	$ 7.6

Below is a reconciliation of 2012 Estimated Free Cash Flow:

		2012
Net cash provided by operating activities	In excess of	$ 204
Net cash used in investing activities		(150)
Distributions to noncontrolling interest		(4)
Free Cash Flow	In excess of	$ 50

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this Annual Report on Form 10-K, including, among others, in the sections entitled Business, Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations. Such forward-looking statements are based on management s beliefs and assumptions and on information currently available. Forward-looking statements include the information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, benefits resulting from our separation from Sunoco, the effects of competition and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and may be identified by the use of forward-looking terminology such as the words believe, expect, plan, intend, anticipate, estimate, predict, pot continue, may, will, should or the negative of these terms or similar expressions. In particular, statements in this Annual Report on Form 10-K concerning future dividend declarations are subject to approval by our board of directors and will be based upon circumstances then existing.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. You should not put undue reliance on any forward-looking statements. We do not have any intention or obligation to update any forward-looking statement (or its associated cautionary language), whether as a result of new information or future events, after the date of this Annual Report on Form 10-K, except as required by applicable law.

The risk factors discussed in Risk Factors could cause our results to differ materially from those expressed in forward-looking statements. There may also be other risks that we are unable to predict at this time. Such risks and uncertainties include, without limitation:

- changes in levels of production, production capacity, pricing and/or margins for metallurgical coal and coke;
- variation in availability, quality and supply of metallurgical coal used in the cokemaking process, including as a result of non-performance by our suppliers;
- effects of railroad, barge, truck and other transportation performance and costs, including any transportation disruptions;
- changes in the marketplace that may affect supply and demand for our metallurgical coal and/or coke products;
- our relationships with, and other conditions affecting, our customers;
- the deferral of contracted shipments of coal, or coke, by our customers;
- severe financial hardship or bankruptcy of one of more of our major customers, or the occurrence of other events affecting our ability to collect payments from our customers;
- volatility and cyclical downturns in the carbon steel industry and other industries in which our customers operate;
- our ability to secure new coal supply agreements or to renew existing coal supply agreements;
- our ability to enter into new, or renew existing, long-term agreements upon favorable terms, for the supply of metallurgical coke to domestic and/or foreign steel producers;

our ability to acquire or develop coal reserves in an economically feasible manner;

defects in title or the loss of one or more mineral leasehold interests;

effects of geologic conditions, weather, natural disasters and other inherent risks beyond our control;

age of, and changes in the reliability, efficiency and capacity of the various equipment and operating facilities used in our coal mining and/or cokemaking operations, and in the operations of our major customers, business partners and/or suppliers;

changes in the expected operating levels of our assets;

our ability to meet minimum volume requirements, coal-to-coke yield standards and coke quality requirements in our coke sales agreements;

disruptions in the quantities of coal produced by our contract mine operators;

our ability to obtain and renew mining permits, and the availability and cost of surety bonds needed in our coal mining operations;

availability of skilled employees for our coal mining and/or cokemaking operations, and other workplace factors;

changes in the level of capital expenditures or operating expenses, including any changes in the level of environmental capital, operating or remediation expenditures;

effects of adverse events relating to the operation of our facilities and to the transportation and storage of hazardous materials (including equipment malfunction, explosions, fires, spills, and the effects of severe weather conditions);

changes in product specifications for either the coals or coke that we produce;

ability to identify acquisitions, execute them under favorable terms and integrate them into our existing businesses and have them perform at anticipated levels;

ability to enter into joint ventures and other similar arrangements under favorable terms;

changes in the availability and cost of equity and debt financing;

our ability to service our outstanding indebtedness;

our ability to comply with the restrictions imposed by our financing arrangements;

impact on our liquidity and ability to raise capital as a result of changes in the credit ratings assigned to our indebtedness;

changes in credit terms required by our suppliers;

changes in insurance markets impacting costs and the level and types of coverage available, and the financial ability of our insurers to meet their obligations;

changes in accounting rules and/or tax laws or their interpretations, including the method of accounting for inventories, leases and/or pensions;

changes in financial markets impacting pension expense and funding requirements;

risks related to labor relations and workplace safety;

nonperformance or force majeure by, or disputes with or changes in contract terms with, major customers, suppliers, dealers, distributors or other business partners;

changes in, or new, statutes, regulations, governmental policies and taxes, or their interpretations, including those relating to the environment and global warming;

the accuracy of our estimates of reclamation and other mine closure obligations;

the existence of hazardous substances or other environmental contamination on property owned or used by us;

the availability of future permits authorizing the disposition of certain mining waste;

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claims of our noncompliance with any statutory and regulatory requirements;

changes in the status of, or initiation of new litigation, arbitration, or other proceedings to which we are a party or liability resulting from such litigation, arbitration, or other proceedings;

historical combined and consolidated financial data may not be reliable indicator of future results;

effects resulting from our separation from Sunoco, Inc.;

incremental costs as a stand-alone public company;

our substantial indebtedness; and

certain covenants in our debt documents.

The factors identified above are believed to be important factors, but not necessarily all of the important factors, that could cause actual results to differ materially from those expressed in any forward-looking statement made by us. Other factors not discussed herein could also have material adverse effects on us. All forward-looking statements included in this Annual Report on Form 10-K are expressly qualified in their entirety by the foregoing cautionary statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our primary areas of market risk include changes in: (1) the price of coal, which is the key raw material for our cokemaking business and a product of our coal mining business; (2) interest rates; and (3) foreign currency exchange rates.

In our Coal Mining segment, we expect to sell approximately 1.8 million tons of coal in 2012 (including transfers to our cokemaking operations). Although we have historically had limited third-party sales from our coal mining operations, we generally sell coal pursuant to contracts with terms similar to the terms of the contracts pursuant to which we buy coal from third parties, including pricing. For 2012, approximately 79 percent of our projected sales are committed at established selling prices. Accordingly, increases and decreases in the market price of metallurgical coal can significantly impact our Coal Mining results.

For our Other Domestic Coke segment, the largest component of the price of our metallurgical coke is coal cost. However, under the coke sales agreements at all of our Other Domestic Coke cokemaking facilities, coal costs are a pass-through component of the coke price, provided that we are able to realize certain targeted coal-to-coke yields. As such, when targeted coal-to-coke yields are achieved, the price of coal is not a significant determining factor in the profitability of these facilities.

Beginning January 1, 2011, as a result of a settlement agreement with ArcelorMittal, the coal component of the price of coke under the Jewell coke sales agreement was amended. The coal component of the Jewell coke price will now be fixed annually for each calendar year based on the weighted-average contract price of third-party coal purchases at our Haverhill facility applicable to ArcelorMittal coke sales. To the extent that contracts for third-party coal purchases at our Haverhill facility convert to pricing mechanisms of less than a year, then the Jewell coke price will be adjusted accordingly during that year. The fixed adjustment factor has been eliminated, and as a result, coal prices will no longer significantly affect the financial results of the Jewell Coke segment.

The provisions of our coke sales agreements require us to meet minimum production levels and generally require us to secure replacement coke supplies at the prevailing contract price if we do not meet contractual minimum volumes. Because market prices for coke are generally highly correlated to market prices for metallurgical coal, to the extent any of our facilities are unable to produce their contractual minimum volumes, we are subject to market risk related to the procurement of replacement supplies.

We do not use derivatives to hedge any of our coal purchases or sales. In addition, although we have not previously done so, we may enter into derivative financial instruments from time to time in the future to economically manage our exposure related to these market risks.

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We are exposed to changes in interest rates as a result of our borrowing activities and our cash balances. Concurrently with the IPO, SunCoke Energy entered into the Credit Agreement which provides for a seven-year term loan in a principal amount of $300 million. The Credit Agreement also provides for up to $75.0 million of Incremental Facilities (Incremental Facilities) that are available subject to the satisfaction of certain conditions. Borrowings under the Term Loan and Incremental Facilities bear interest, at our option, at either (i) base rate plus an applicable margin or (ii) the greater of 1.00 percent or the London Interbank Offered Rate (LIBOR) plus an applicable margin. Borrowings under the Revolving Facility bear interest either (i) base rate plus an applicable margin or (ii) at LIBOR plus an applicable margin. Additionally, the Company issued $400 million aggregate principal amount of fixed rate senior notes. After the impact of the related interest rate derivative instruments (described in Note 24 to our Combined and Consolidated Financial Statements), approximately 27.9 percent of our debt portfolio represented variable rate obligations. For the Term Loan, our variable rate exposure relates to changes in LIBOR, only when LIBOR is greater than 1.00 percent. During 2011, LIBOR was below the 1.00 percent floor that was established in the Credit Agreement. Therefore, the Company s interest rate on Term Loan borrowings was fixed and as such the Company was not subject to changes in interest rates for Term Loan borrowings. For the Revolving Facility, the daily average outstanding balance was $2.3 million during the year ended December 31, 2011. Assuming a 50 basis point change in LIBOR, interest expense on the Term Loan and the Revolving Facility would not have changed by a significant amount for the full year 2011. As of December 31, 2011, there were no outstanding borrowings under the Revolving Facility.

At December 31, 2011, we had cash and cash equivalents of $127.5 million, which accrues interest at various rates. Assuming a 50 basis point change in the rate of interest associated with our cash and cash equivalents, interest income would not have changed by a significant amount for the year ended 2011.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders

SunCoke Energy, Inc.

We have audited the accompanying combined and consolidated balance sheets of SunCoke Energy, Inc. (the Company) as of December 31, 2011 and 2010, and the related combined and consolidated statements of income, cash flows and comprehensive income and equity for each of the three years in the period ended December 31, 2011. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined and consolidated financial position of SunCoke Energy, Inc. at December 31, 2011 and 2010, and the combined and consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania

February 29, 2012

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SunCoke Energy, Inc.

Combined and Consolidated Statements of Income

	Years Ended December 31		
	2011	2010	2009
	(Dollars and shares in millions, except per share amounts)		
Revenues			
Sales and other operating revenue	$ 1,527.6	$ 1,316.5	$ 1,124.0
Other income, net	11.3	10.0	21.0
Total revenues	1,538.9	1,326.5	1,145.0
Costs and operating expenses			
Cost of products sold and operating expenses	1,305.8	1,036.9	860.9
Loss on firm purchase commitments	18.5		
Selling, general and administrative expenses	88.7	67.2	40.2
Depreciation, depletion, and amortization	58.4	48.2	32.3
Total costs and operating expenses	1,471.4	1,152.3	933.4
Operating income	67.5	174.2	211.6
Interest income affiliate	12.5	23.7	24.1
Interest income	0.4		0.4
Interest cost affiliate	(3.5)	(5.4)	(5.7)
Interest cost	(20.6)		
Capitalized interest	9.8	0.7	1.5
Total financing (expense) income, net	(1.4)	19.0	20.3
Income before income tax expense	66.1	193.2	231.9
Income tax expense	7.2	46.9	20.7
Net income	58.9	146.3	211.2
Less: Net (loss) income attributable to noncontrolling interests	(1.7)	7.1	21.6
Net income attributable to SunCoke Energy, Inc. / net parent investment	$ 60.6	$ 139.2	$ 189.6
Earnings attributable to SunCoke Energy, Inc. / net parent investment per common share:			
Basic	$ 0.87	$ 1.99	$ 2.71
Diluted	$ 0.87	$ 1.99	$ 2.71
Weighted average number of common shares outstanding:			
Basic	70.0	70.0	70.0
Diluted	70.0	70.0	70.0

(See Accompanying Notes)

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SunCoke Energy, Inc.

Combined and Consolidated Balance Sheets

	December 31 2011	December 31 2010
	(Dollars in millions, except per share amounts)	
Assets		
Cash and cash equivalents	$ 127.5	$ 40.1
Accounts receivable	66.2	44.6
Inventories	219.7	106.6
Deferred income taxes	0.6	1.1
Total current assets	414.0	192.4
Notes receivable from affiliate		289.0
Investment in Brazilian cokemaking operations	41.0	41.0
Properties, plants and equipment, net	1,391.8	1,173.5
Lease and mineral rights, net	53.2	6.7
Goodwill	9.4	3.4
Deferred charges and other assets	32.4	12.4
Total assets	$ 1,941.8	$ 1,718.4
Liabilities and Equity		
Advances from affiliate	$	$ 888.5
Accounts payable	181.9	106.4
Current portion of long-term debt	3.3	
Accrued liabilities	85.7	53.1
Taxes payable	10.6	7.7
Total current liabilities	281.5	1,055.7
Long-term debt	723.1	
Payable to affiliate		55.8
Accrual for black lung benefits	33.5	26.6
Retirement benefit liabilities	50.6	42.9
Deferred income taxes	261.1	85.9
Asset retirement obligations	12.5	11.0
Other deferred credits and liabilities	19.6	11.2
Commitments and contingent liabilities		
Total liabilities	1,381.9	1,289.1
Equity		
Preferred stock, $0.01 par value. Authorized 50,000,000 shares; no issued and outstanding shares at December 31, 2011 and 2010		
Common stock, $0.01 par value. Authorized 300,000,000 shares; issued and outstanding 70,012,702 shares at December 31, 2011 and no shares outstanding at December 31, 2010	0.7	
Additional paid-in capital	511.3	
Accumulated other comprehensive loss	(6.5)	
Retained earnings	20.0	
Net parent investment		369.5

Total SunCoke Energy, Inc. stockholders equity / net parent investment	525.5	369.5
Noncontrolling interests	34.4	59.8
Total equity	559.9	429.3
Total liabilities and equity	$ 1,941.8	$ 1,718.4

(See Accompanying Notes)

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SunCoke Energy, Inc.

Combined and Consolidated Statements of Cash Flows

	Years ended December 31		
	2011	2010	2009
	(Dollars in millions)		
Cash Flows from Operating Activities:			
Net income	$ 58.9	$ 146.3	$ 211.2
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss on firm purchase commitment	18.5		
Depreciation, depletion and amortization	58.4	48.2	32.3
Deferred income tax expense	24.0	15.4	15.2
Payments (in excess of) less than expense for retirement plans	5.8	(6.0)	3.3
Changes in working capital pertaining to operating activities:			
Accounts receivable	(18.3)	34.7	(38.6)
Inventories	(110.1)		(27.1)
Accounts payable and accrued liabilities	84.2	54.2	(8.3)
Taxes payable	(16.9)	1.9	(0.2)
Other	(3.2)	1.9	(0.6)
Net cash provided by operating activities	101.3	296.6	187.2
Cash Flows from Investing Activities:			
Capital expenditures	(238.1)	(215.6)	(215.2)
Acquisition of business, net of cash received	(37.6)		
Proceeds from sale of assets		1.7	0.1
Net cash used in investing activities	(275.7)	(213.9)	(215.1)
Cash Flows from Financing Activities:			
Proceeds from issuance of long-term debt	727.9		
Debt issuance costs	(19.1)		
Repayment of long-term debt	(1.6)		
Purchase of noncontrolling interest in Indiana Harbor facility	(34.0)		
Net (decrease) increase in advances from affiliate	(412.8)	(56.2)	25.5
Repayments of notes payable assumed in acquisition	(2.3)		
Contribution from parent		1.0	
Increase in payable to affiliate	5.3	30.8	0.7
Cash distributions to noncontrolling interests in cokemaking operations	(1.6)	(20.9)	(18.6)
Net cash provided by (used in) financing activities	261.8	(45.3)	7.6
Net increase (decrease) in cash and cash equivalents	87.4	37.4	(20.3)
Cash and cash equivalents at beginning of year	40.1	2.7	23.0
Cash and cash equivalents at end of year	$ 127.5	$ 40.1	$ 2.7

(See Accompanying Notes)

SunCoke Energy, Inc.

Combined and Consolidated Statements of Comprehensive Income and Equity

	Shares	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Net Parent Investment	Total SunCoke Energy, Inc. or Parent Equity	Noncontrolling Interests	Total Equity
					(Dollars in millions)				
At December 31, 2008		$	$	$	$	$ 552.4	$ 552.4	$ 70.7	$ 623.1
Net income (loss) from January 1, 2009 to December 31, 2009						189.7	189.7	21.5	211.2
Other Comprehensive income(loss)(net of related tax benefit of $1.4):									
Reclassifications of prior service benefit and actuarial loss amortization to earnings						0.4	0.4		0.4
Retirement benefit plans funded status adjustment						(2.7)	(2.7)		(2.7)
Currency translation adjustment						2.2	2.2		2.2
Comprehensive income (loss)							189.6	21.5	211.1
Cash distributions to noncontrolling interests								(18.6)	(18.6)
At December 31, 2009		$	$	$	$	$ 742.0	$ 742.0	$ 73.6	$ 815.6
Net income from January 1, 2009 to December 31, 2010						139.2	139.2	7.1	146.3
Other Comprehensive income(loss)(net of related tax benefit of $13.8):									
Reclassifications of prior service benefit and actuarial loss amortization to earnings						(1.7)	(1.7)		(1.7)
Retirement benefit plans funded status adjustment						24.1	24.1		24.1
Currency translation adjustment						0.4	0.4		0.4
Comprehensive income (loss)							162.0	7.1	169.1
Capital contribution from Sunoco, Inc.						1.0	1.0		1.0
Noncash distribution to affiliates.						(535.5)	(535.5)		(535.5)
Cash distributions to noncontrolling interests								(20.9)	(20.9)
At December 31, 2010		$	$	$	$	$ 369.5	$ 369.5	$ 59.8	$ 429.3

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SunCoke Energy, Inc.

Combined and Consolidated Statements of Comprehensive Income and Equity (Continued)

	Shares	**Common Stock**	**Additional Paid-in Capital**	**Accumulated Other Comprehensive Loss**	**Retained Earnings**	**Net Parent Investment**	**Total SunCoke Energy, Inc. or Parent Equity**	**Noncontrolling Interests**	**Total Equity**
				(Dollars in millions)					
At December 31, 2010		$	$	$	$	$ 369.5	$ 369.5	$ 59.8	$ 429.3
Net income (loss) from January 1, 2011 to July 18, 2011						40.6	40.6	(5.0)	35.6
Net income from July 19, 2011 to December 31, 2011					20.0		20.0	3.3	23.3
Other Comprehensive income(loss)(net of related tax benefit of $5.5):									
Reclassifications of prior service benefit and actuarial loss amortization to earnings				(1.1)		(1.1)	(2.2)		(2.2)
Retirement benefit plans funded status adjustment				(6.3)			(6.3)		(6.3)
Currency translation adjustment				(2.0)		0.6	(1.4)		(1.4)
Comprehensive income (loss)							50.7	(1.7)	49.0
Capital contribution from Sunoco, Inc. in connection with contribution of business						156.5	156.5		156.5
Noncash distribution to Sunoco under Tax Sharing Agreement			(45.3)				(45.3)		(45.3)
Issuance of common stock in exchange for cokemaking and coal mining operations of Sunoco, Inc.	70,000,000	0.7	562.5	2.9		(566.1)			
Share-based compensation expense			2.1				2.1		2.1
Cash distributions to noncontrolling interests			(0.2)				(0.2)	(1.4)	(1.6)
Purchase of noncontrolling interests, net of related tax benefit of $4.1			(7.8)				(7.8)	(22.3)	(30 .1)
Shares issued to directors	12,702								
At December 31, 2011	70,012,702	$ 0.7	$ 511.3	$ (6.5)	$ 20.0	$	$ 525.5	$ 34.4	$ 559.9

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SunCoke Energy, Inc.

Notes to Combined and Consolidated Financial Statements

1. General

Description of Business and Basis of Presentation

SunCoke Energy, Inc. (SunCoke Energy or the Company) is an independent owner and operator of five metallurgical cokemaking facilities in the eastern and midwestern regions of the United States and operator of a cokemaking facility for a project company in Brazil in which it has a preferred stock investment. The cokemaking operations include blast furnace coke manufacturing at the Company s Jewell Coke Company, L.P. (Jewell) facility in Vansant, VA; Indiana Harbor Coke Company, L.P. (Indiana Harbor) facility in East Chicago, IN; Haverhill North Coke Company (Haverhill) facility in Franklin Furnace, OH; Gateway Energy & Coke Company, LLC (Granite City) facility in Granite City, IL; and Middletown Coke Company, Inc. (Middletown) in Middletown, OH, which commenced operations in October 2011.

In addition to its cokemaking operations, the Company has metallurgical coal mining operations in the eastern United States. The metallurgical coal produced from underground mines in Virginia and West Virginia is used primarily at the Jewell cokemaking facility. In January 2011, the Company acquired Harold Keene Coal Company, Inc. and its affiliated companies (HKCC or the HKCC Companies), for approximately $52.0 million, exclusive of contingent consideration (Note 4).

On January 17, 2012 (the Distribution Date), we became an independent, publicly-traded company following our separation from Sunoco, Inc. (Sunoco). Our separation from Sunoco occurred in two steps:

- We were formed as a wholly-owned subsidiary of Sunoco. On July 18, 2011 (the Separation Date), Sunoco contributed the subsidiaries, assets and liabilities that were primarily related to its cokemaking and coal mining operations to us in exchange for shares of our common stock. As of such date, Sunoco owned 100% of our common stock. On July 26, 2011, we completed an initial public offering (IPO) of 13,340,000 shares of our common stock, or 19.1% of our outstanding common stock. Following the IPO, Sunoco continued to own 56,660,000 shares of our common stock, or 80.9% of our outstanding common stock.

- On the Distribution Date, Sunoco made a pro-rata, tax free distribution (the Distribution) of the remaining shares of our common stock that it owned in the form of a special stock dividend to Sunoco shareholders. Sunoco shareholders received 0.53046456 of a share of common stock for every share of Sunoco common stock held as of the close of business on the January 5, 2012, the record date for the Distribution. After the Distribution, Sunoco ceased to own any shares of our common stock.

Concurrent with the reorganization just prior to the IPO, substantially all related party balances were settled in connection with the issuance of common stock to Sunoco, with the exception of $575 million, which was repaid on July 26, 2011 in cash with a portion of the proceeds from SunCoke Energy s debt issuance.

The historical Combined Financial Statements for periods prior to the Separation Date include the accounts of all operations that comprised the cokemaking and coal mining operations of Sunoco, after elimination of all intercompany balances and transactions within the combined group of companies. The historical Combined Financial Statements also include allocations of certain Sunoco corporate expenses. SunCoke Energy management believes the assumptions and methodologies underlying the allocation of general corporate overhead expenses are reasonable. However, such expenses may not be indicative of the actual level of expense that would have been incurred by SunCoke Energy if it had operated as an independent, publicly-traded company during the periods prior to the IPO or of the costs expected to be incurred in the future. See Note 6 for further information regarding allocated expenses. Because a direct ownership relationship did not exist among all the various entities comprising the Company, Sunoco s net investment in the Company is presented as net parent investment, rather than stockholders equity, in the combined balance sheets for periods prior the Separation Date. The Consolidated Financial Statements for the period after the Separation Date pertains to the operations of SunCoke Energy.

A variable interest entity (VIE) is a legal entity in which equity investors do not have sufficient equity at risk for the legal entity to finance its activities without additional subordinated financial support or, as a group, the holders of the equity investment at risk lack any one of the following three characteristics: (1) the power, through voting rights or similar rights, to direct the activities of a legal entity that most significantly impact the entity s economic performance; (2) the obligation to absorb the expected losses of the legal entity; or (3) the right to receive the expected residual returns of the legal entity. A company with a variable interest or interests in a VIE is required to consolidate that VIE if it has a controlling financial interest, which will have both of the following characteristics: (1) the power to direct the activities of the VIE that most significantly impact the VIE s economic performance; and (2) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

The Company entered into an agreement in March 1997 with Lakeshore Coal Handling Corporation (Lakeshore), which provides coal handling services at the Indiana Harbor cokemaking facility. Under accounting principles generally accepted in the United States (GAAP), it is possible that Lakeshore would be a VIE and that the Company should be considered Lakeshore s primary beneficiary. However, Lakeshore has declined to provide the Company with the financial information to make this determination. Accordingly, the Company does not include Lakeshore s accounts in its Combined and Consolidated Financial Statements as permitted by a transition provision of the VIE accounting guidance. In addition, the Company has no obligations to Lakeshore under the agreement other than the amounts payable for the coal handling services (Note 17). The Company will continue to make efforts to obtain this information.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Combined and Consolidated Financial Statements and accompanying notes. Actual amounts could differ from these estimates.

Reclassifications

Certain amounts in the prior period Combined and Consolidated Financial Statements have been reclassified to conform to the current year presentation.

Currency Translation

The functional currency of the Company s Brazilian operations is the Brazilian real. The Company s Brazilian operations translate their assets and liabilities into U.S. dollars at the current exchange rates in effect at the end of the fiscal period. The gains or losses that result from this process is shown as cumulative translation adjustments within accumulated other comprehensive loss in the Combined and Consolidated Balance Sheets. The revenue and expense accounts of foreign subsidiaries are translated into U.S. dollars at the average exchange rates that prevailed during the period.

Some transactions of the Company s Brazilian operations are conducted in currencies different from their functional currency. Gains and losses from these foreign currency transactions are included in income as they occur and were not material to the results of operations during the years ended December 31, 2011, 2010 and 2009.

Revenue Recognition

The Company sells metallurgical coal and coke as well as steam and electricity to third-party customers. The Company also receives fees for operating the cokemaking plant in Brazil and for the licensing of its proprietary technology for use at this facility as well as reimbursement of substantially all of its operating costs.

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Revenues related to the sale of products are recognized when title passes, while service revenues are recognized when services are provided. Licensing fees, which are determined on a per ton basis, are recognized when coke is produced in accordance with the contract terms. Title passage generally occurs when products are shipped or delivered in accordance with the terms of the respective sales agreements. Revenues are not recognized until sales prices are fixed or determinable and collectability is reasonably assured.

As discussed in Note 7, substantially all of the metallurgical coke produced by the Company is sold pursuant to long-term contracts with its customers. The Company evaluates each of its contracts to determine whether the arrangement contains a lease under the applicable accounting standards. If the specific facts and circumstances indicate that it is remote that parties other than the contracted customer will take more than a minor amount of the coke that will be produced by the property, plant and equipment during the term of the coke supply agreement, and the price that the customer is paying for the coke is neither contractually fixed per unit nor equal to the current market price per unit at the time of delivery, then the long-term contract is deemed to contain a lease. The lease component of the price of coke represents the rental payment for the use of the property, plant and equipment, and all such payments are accounted for as contingent rentals as they are only earned by the Company when the coke is delivered and title passes to the customer. The total amount of revenue recognized by the Company for these contingent rentals represents less than 10 percent of combined sales and other operating revenues for each of the years ended December 31, 2011, 2010 and 2009.

Cash Equivalents

The Company considers all highly liquid investments with a remaining maturity of three months or less at the time of purchase to be cash equivalents. These cash equivalents consist principally of time deposits and money market investments.

Inventories

Inventories are valued at the lower of cost or market. Cost is determined using the first-in, first-out method, except for the cost of coal inventory in our Coal Mining segment and the Company s materials and supplies inventory, which are determined using the average-cost method.

The Company utilizes the selling prices under its long-term coke supply contracts (Note 7) to record lower of cost or market inventory adjustments.

Properties, Plants and Equipment

Plants and equipment and capitalized coal mine development costs are depreciated on a straight-line basis over their estimated useful lives. Coke and energy plant, machinery and equipment are depreciated over 25 to 30 years. All depreciation, depletion and amortization is excluded from cost of products sold and operating expenses and presented separately in the Combined and Consolidated Statements of Income. Gains and losses on the disposal or retirement of fixed assets are reflected in earnings when the assets are sold or retired. Amounts incurred that extend an asset s useful life, increase its productivity or add production capacity are capitalized. Direct costs, such as outside labor, materials, internal payroll and benefits costs, incurred during the construction of a new facility are capitalized; indirect costs are not capitalized. Normal repairs and maintenance costs are expensed as incurred.

The Company s coal mining operations lease small parcels of land, mineral rights and coal mining rights. Substantially all of the leases are life of mine agreements that extend the Company s mining rights until all reserves have been recovered. These leases convey mining rights to the Company in exchange for payment of certain royalties and/or fixed fees. The lease and mineral rights are capitalized and amortized as depletion expense using the units-of-production method. Only proven and probable coal reserves are included in the depletion base.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An asset, or group of assets, is considered to be impaired when the undiscounted estimated net cash flows expected to be generated by the asset, or group of assets, are less than its carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair market value of the impaired asset, or group of assets.

Goodwill and Intangibles

Goodwill, which represents the excess of the purchase price over the fair value of net assets acquired, is tested for impairment at least annually. There was no impairment of goodwill or intangibles during the periods presented. Intangible assets with finite useful lives are amortized over their useful lives in a manner that reflects the pattern in which the economic benefit of the intangible asset is consumed.

Investment in Brazilian Cokemaking Operations

SunCoke Energy s investment in preferred shares of the company that owns the cokemaking facility in Vitória, Brazil, that SunCoke Energy operates under licensing and operating agreements, is accounted for at cost. Income received by SunCoke Energy from this investment, which is in the form of a dividend, is contingent upon achieving certain minimum production levels at the facility and payment is guaranteed by the parent company of the plant s owner, which is a lessee of the facility. Accordingly, the Company recognizes income from this investment when certain required production levels have been met and the amount is deemed collectible, typically in the fourth quarter.

Derivative Financial Instruments

The Company utilizes derivative financial instruments to hedge against the risk of adverse movements in interest rates. Our corporate policy prohibits the use of derivative instruments for trading or speculative purposes, and we have procedures in place to monitor and control their use. See Note 24 to the Combined and Consolidated Financial Statements.

Cash received or paid upon settlement of derivative financial instruments are classified in the same category as the cash flows from items being hedged in the Combined and Consolidated Statements of Cash Flows.

Income Taxes

Prior to the Distribution Date, SunCoke Energy and certain subsidiaries of Sunoco were included in the consolidated federal and certain consolidated, combined or unitary state income tax returns filed by Sunoco. However, SunCoke Energy s provision for income taxes and the deferred income tax amounts reflected in the Combined and Consolidated Financial Statements have been determined on a theoretical separate-return basis. Prior to the Separation Date, any current federal and state income tax amounts were settled with Sunoco under a previous tax sharing arrangement. Under this previous tax sharing arrangement, net operating losses and tax credit carryforwards generated on a theoretical separate-return basis could be used to offset future taxable income determined on a similar basis. Such benefits were reflected in the Company s deferred tax assets, notwithstanding the fact that such net operating losses and tax credits may actually have been realized on Sunoco s consolidated income tax returns, or may be realized in future consolidated income tax returns covering the period through the Distribution Date.

On the Separation Date, SunCoke Energy and Sunoco entered into a new tax sharing agreement that governs the parties respective rights, responsibilities and obligations with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and other matters regarding taxes. Under the new tax sharing agreement, we do not expect to retain any of the federal income tax credits or net operating loss carryforwards that the Company has recognized as deferred income tax assets or that may be generated prior to the Distribution Date. However, the Company may retain certain state tax credits or net operating loss carryforwards, which have been recognized as deferred tax assets on our Combined and Consolidated Balance Sheet and that may be used to reduce the Company s future income tax liabilities. These benefits will continue to be reflected in SunCoke Energy s balance sheet until it is determined pursuant to the terms of the new tax sharing agreement that such benefits are not subject to allocation to SunCoke Energy and hence will not be realizable in its standalone tax filings. To the extent any tax assets or liabilities computed on this basis differ from amounts actually payable or realizable under the provisions of the new tax sharing agreement, adjustments to the tax assets and liabilities will be reflected as a dividend to, or capital contribution from, Sunoco when such amounts have been effectively settled under the terms of the new tax sharing agreement.

The Company recognizes uncertain tax positions in its financial statements when minimum recognition threshold and measurement attributes are met in accordance with current accounting guidance. Unrecognized tax benefits and accruals for interest and penalties are included in other deferred credits and liabilities in the Combined and Consolidated Balance Sheets. The Company recognizes interest related to unrecognized tax benefits in interest cost and penalties in income tax expense in the Combined and Consolidated Statements of Income.

Deferred tax asset and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those differences are projected to be recovered or settled.

Retirement Benefit Liabilities

The funded status of defined benefit and postretirement benefit plans is fully recognized on the Combined and Consolidated Balance Sheets. It is determined by the difference between the fair value of plan assets and the benefit obligation, with the benefit obligation represented by the projected benefit obligation for defined benefit plans and the accumulated postretirement benefit obligation for postretirement benefit plans. Actuarial gains (losses) and prior service (benefits) costs which have not yet been recognized in net income are recognized as a credit (charge) to accumulated other comprehensive loss. The credit (charge) to accumulated other comprehensive loss, which is reflected net of related tax effects, is subsequently recognized in net income when amortized as a component of defined benefit plans and postretirement benefit plans expense. In addition, the credit (charge) may also be recognized in net income as a result of a plan curtailment or settlement.

Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the asset and depreciated over its remaining estimated useful life. The Company s asset retirement obligations primarily relate to costs associated with restoring land to its original state.

Shipping and Handling Costs

Shipping and handling costs are included in cost of products sold and operating expenses.

Stock-based Compensation

We measure the cost of employee services in exchange for an award of equity instruments based on the grant-date fair value of the award. The total cost is reduced by estimated forfeitures over the awards vesting period and the cost is recognized over the requisite service period. Forfeiture estimates are reviewed on an annual basis.

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Fair Value Measurements

The Company determines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As required, the Company utilizes valuation techniques that maximize the use of observable inputs (levels 1 and 2) and minimize the use of unobservable inputs (level 3) within the fair value hierarchy included in current accounting guidance. The Company generally applies the market approach to determine fair value. This method uses pricing and other information generated by market transactions for identical or comparable assets and liabilities. Assets and liabilities are classified within the fair value hierarchy based on the lowest level (least observable) input that is significant to the measurement in its entirety.

Recently Issued Pronouncements

There are no recently issued accounting standards which are not yet effective that we believe would materially impact our Combined and Consolidated Financial Statements.

Labor Concentrations

As of December 31, 2011, the Company has approximately 1,160 employees in the United States. Approximately 320, or 28 percent, of the Company s domestic employees, principally at the Company s cokemaking operations, are currently represented by the United Steelworkers under various contracts. The collective bargaining agreements with respect to the Company s Indiana Harbor and Haverhill cokemaking facilities expire on September 1, 2012 and November 1, 2012, respectively. As of December 31, 2011, the Company has approximately 210 employees at the cokemaking facility in Vitória, Brazil, all of whom are represented by a union under an agreement that expires on October 31, 2012.

3. Arrangements Between Sunoco and SunCoke Energy, Inc.

In connection with the IPO, SunCoke Energy and Sunoco entered into certain agreements that effected the separation of SunCoke Energy s business from Sunoco (the Separation), provided a framework for its relationship with Sunoco after the separation and provided for the allocation between SunCoke Energy and Sunoco of Sunoco s assets, employees, liabilities and obligations attributable to periods prior to, at and after SunCoke Energy s Separation from Sunoco.

Separation and Distribution Agreement. On the Separation Date, SunCoke Energy and Sunoco entered into the separation and distribution agreement, which set forth the agreements between SunCoke Energy and Sunoco regarding the principal corporate transactions required to effect SunCoke Energy s separation from Sunoco, the IPO and the Distribution, if any, of SunCoke Energy s shares to Sunoco s shareholders, and other agreements governing the relationship between Sunoco and SunCoke Energy.

The separation and distribution agreement identified assets to be transferred, liabilities to be assumed and contracts to be assigned to each of SunCoke Energy and Sunoco as part of the separation of Sunoco into two companies. Except as expressly provided, all assets were transferred on an as is, where is basis. In general, each party to the separation and distribution agreement assumed liability for all pending, threatened and unasserted legal matters related to its own business or its assumed or retained liabilities and will indemnify the other party for any liability to the extent arising out of or resulting from such assumed or retained legal matters. In addition, the separation and distribution agreement provides for cross-indemnities principally designed to place financial responsibility for the obligations and liabilities of SunCoke Energy s business with SunCoke Energy and financial responsibility for the obligations and liabilities of Sunoco s business with Sunoco.

The separation and distribution agreement allocates responsibility with respect to certain employee related matters, particularly with respect to Sunoco employee benefit plans in which any SunCoke Energy employees participate or SunCoke Energy employee benefit plans which hold assets in joint trusts with Sunoco. In addition, the separation and distribution agreement provided for certain adjustments with respect to Sunoco equity compensation awards that occurred when Sunoco completed the Distribution.

Tax Sharing Agreement. On the Separation Date, SunCoke Energy and Sunoco entered into a tax sharing agreement that governs the parties respective rights, responsibilities and obligations with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and other matters regarding taxes. For a detailed discussion of the tax sharing agreement, see Note 8.

Transition Services Agreement. On the Separation Date, SunCoke Energy and Sunoco entered into a transition services agreement in connection with the separation. Pursuant to the transition services agreement, Sunoco provides certain support services to SunCoke Energy, including, among others, information technology, treasury, risk management and insurance, tax, internal audit and various other corporate services, in each case consistent with the services provided by Sunoco to SunCoke Energy before the Separation. The charges for the transition services generally are intended to allow Sunoco to fully recover the costs directly associated with providing the services, plus all out-of-pocket costs and expenses, generally without profit. The services provided under the transition services agreement will terminate at various times specified in the agreement (generally terminating upon completion of the Distribution on January 17, 2012). SunCoke Energy may terminate certain specified services by giving prior written notice to Sunoco of such services and paying any applicable termination charge.

Guaranty, Keep Well, and Indemnification Agreement. On the Separation Date, SunCoke Energy and Sunoco entered into a guaranty, keep well, and indemnification agreement. Under this agreement, SunCoke Energy: (1) guarantees the performance of certain obligations of its subsidiaries, prior to the date that Sunoco or its affiliates may become obligated to pay or perform such obligations, including the repayment of a loan from Indiana Harbor Coke Company L.P.; (2) indemnifies, defends, and holds Sunoco and its affiliates harmless against all liabilities relating to these obligations; and (3) restricts the assets, debts, liabilities and business activities of one of its wholly owned subsidiaries, so long as certain obligations of such subsidiary remain unpaid or unperformed. In addition, SunCoke Energy releases Sunoco from its guaranty of payment of a promissory note owed by one of its subsidiaries to another of its subsidiaries.

4. Acquisition

Harold Keene Coal Company, Inc.

On January 14, 2011, the Company acquired 100% of the outstanding common shares of HKCC for approximately $52.0 million, including working capital and contingent consideration. The results of HKCC have been included in the Consolidated Financial Statements since that date and are included in the Coal Mining segment. HKCC engages in the business of coal mining and owns, leases, and operates mines in Russell County, Virginia. The operations of the HKCC Companies produce high volatile A and high volatile B metallurgical coals, which complement the coal produced by the Company s existing coal mining operations, and high quality thermal coal. This acquisition adds between 250 thousand and 300 thousand tons of coal production annually, with the potential to expand production in the future. HKCC has approximately 20 million tons of proven and probable coal reserves located in Russell and Buchanan Counties in Virginia, contiguous to the Company s existing metallurgical coal mining operations. The acquisition is part of the Company s strategy to expand its domestic coal production and pursue selective reserve acquisitions. The goodwill of $6.0 million arising from the acquisition consists largely of synergies and cost reductions.

The aggregate noncontingent portion of the purchase price was $41.1 million, of which $37.6 million was paid in cash, net of cash received of $0.8 million. The remaining amount relates to a purchase price holdback of $3.5 million that is expected to be paid in June 2012.

The purchase price includes a contingent consideration arrangement that requires the Company to pay the former owners of HKCC $2.00 per ton of coal for each ton produced from the real property or leased property if production levels exceed 150 thousand tons in a calendar year for a period of 20 years or until full exhaustion, whichever comes sooner. The potential undiscounted amount of all future payments that could be required to be paid under the contingent consideration arrangement is between $0 and $42 million. The fair value of the contingent consideration at the acquisition date was $10.9 million, and was based on significant inputs that are not observable in the market, or Level 3 inputs. Key assumptions include (a) a risk-adjusted discount rate range of 0.895 percent to 6.027 percent, which reflects the credit spread adjustment for each period, and (b) probability adjusted production levels of HKCC operations between 300 thousand and 475 thousand tons per year.

The following table summarizes the consideration paid for HKCC and the fair value of the assets acquired and liabilities assumed at the acquisition date (dollars in millions):

Consideration:	
Cash, net of cash received	$ 37.6
Working capital adjustment and purchase price hold back	3.5
Contingent consideration arrangement	10.9
Fair value of total consideration transferred	$ 52.0
Recognized amounts of identifiable assets acquired and liabilities assumed:	
Current assets	$ 7.3
Property and equipment	15.5
Mineral rights	48.1
Other assets	2.4
Current liabilities	(1.5)
Deferred tax liabilities, net	(22.7)
Notes payable	(2.3)
Asset retirement obligations	(0.8)
Total identifiable net assets assumed	46.0
Goodwill	6.0
Total	$ 52.0

The fair value of the acquired intangible assets, representing mineral rights, of $47.3 million, net of asset retirement obligations of $0.8 million, was determined by applying the income approach, and is based on significant inputs that are not observable in the market, or Level 3 inputs. The acquired mineral rights will be depleted as they are extracted, which is estimated to be over a period of 31 years.

Immediately upon acquisition, $2.3 million of notes payable were repaid.

The acquisition of HKCC increased revenues and gross margin by $19.4 million and $2.7 million, respectively in 2011. The acquisition of HKCC is not material to the Company s combined and consolidated results of operations. Therefore, pro forma information has not been presented.

5. Purchase of Noncontrolling Interest

On September 30, 2011, the Company acquired the entire 19% ownership interest in the partnership that owns the Indiana Harbor cokemaking facility held by an affiliate of GE Capital for $34.0 million. As a result of this transaction, the Company now holds an 85% interest in the partnership. The remaining 15% interest in the partnership is owned by an affiliate of DTE Energy Company.

The Company accounted for the increase in ownership as an equity transaction, which resulted in a $22.3 million decrease in noncontrolling interest and a $7.8 million decrease in additional paid-in capital, net of income taxes. Direct costs of $0.2 million related to the increase in ownership were also accounted for as part of the equity transaction.

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6. Related Party Transactions

The related party transactions with Sunoco and its affiliates are described below.

Advances from/to Affiliate

Prior to the Separation Date, Sunoco, Inc. (R&M), a wholly-owned subsidiary of Sunoco, served as a lender and borrower of funds and a clearinghouse for the settlement of receivables and payables for the Company and Sunoco and its affiliates. Amounts due to Sunoco, Inc. (R&M) for the settlement of payables, which included advances to fund capital expenditures, amounted to $864.3 million at December 31, 2010. Interest on such advances was based on short-term money market rates. The weighted-average annual interest rates used to determine interest expense for these amounts due were 1.6 percent at December 31, 2010 and 2009. As described in Note 1, on July 26, 2011, proceeds from debt issuances were used to repay $575 million of the advances from affiliate, and the remaining balance was treated as a contribution from Sunoco and capitalized to net parent investment.

Indiana Harbor had a $30.0 million revolving credit agreement with Sunoco, Inc. (R&M) (the Indiana Harbor Revolver), which was terminated in conjunction with the Separation. Borrowings amounted to $24.2 million at December 31, 2010. The interest rates for advances under the Indiana Harbor Revolver were based on the one-month London Inter-Bank Offered Rate, as quoted by Bloomberg, L.P., plus 1 percent (1.26 percent at December 31, 2010).

Interest income on advances to affiliate generated by the investment of idle funds under the clearinghouse activities described above is included in interest income affiliate in the Combined and Consolidated Statements of Income and totaled $0.5 million, $1.5 million, and $1.8 million in 2011, 2010, and 2009 respectively. Interest paid to affiliates under the above borrowing arrangements is classified as interest cost affiliate in the Combined and Consolidated Statements of Income and totaled $3.6 million, $5.4 million, and $5.7 million in 2011, 2010 and 2009, respectively.

Receivables/Payable from/to Affiliate

During 2002, in connection with an investment in the partnership by a third-party investor, Indiana Harbor loaned $200.0 million of excess cash to The Claymont Investment Company (Claymont), a then wholly owned subsidiary of Sunoco. The loan was evidenced by a note with an interest rate of 7.44 percent per annum. Interest income related to the note, which was paid quarterly, is included in interest income affiliate in the Combined and Consolidated Statements of Income and amounted to $8.0 million, $14.9 million and $14.9 million in 2011, 2010 and 2009, respectively.

During 2000, in connection with an investment in the partnership by a third-party investor, Jewell loaned $89.0 million of excess cash to Claymont. The loan was evidenced by a note with an interest rate of 8.24 percent per annum. Interest income related to the note, which was paid annually, is included in interest income affiliate in the Combined and Consolidated Statements of Income and amounted to $4.0 million, $7.3 million, and $7.3 million in 2011, 2010, and 2009, respectively.

In connection with the Separation, Sunoco contributed Claymont to SunCoke Energy primarily to transfer certain intercompany receivables froTD STYLE="text-align: left; text-indent: -10pt; padding-left: 20pt">Software & Services — 14,126,778 — 14,126,778 Technology Hardware & Equipment — 1,059,067 — 1,059,067 Telecommunication Services — 2,036,139 — 2,036,139 Transportation — 10,895,800 — 10,895,800 Utilities — 7,584,330 — 7,584,330 Total $6,674,115 $16

During the year ended December 31, 2015, transfers of securities from Level 1 to Level 2 were $6,449,104 and transfers from Level 2 to Level 1 were $5,709,367. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities' primary market (Level 1) and valuation by a pricing service (Level 2), which takes into account market direction or events occurring before the Fund's pricing time but after the last local close, as described in the Notes to Financial Statements.

The following table reconciles the valuation of the Fund's Level 3 investment securities and related transactions during the year ended December 31, 2015:

	Common Stocks Consumer Services
Balance as of December 31, 2014	$—
Realized gain (loss)	—
Net change in unrealized appreciation (depreciation)	9,040
Purchases	35,108
Sales	—
Transfers in and/or out of level 3	—
Balance as of December 31, 2015	$44,148

See Notes to Financial Statements

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INDONESIA INDEX ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 99.4%		
Automobiles & Components: 6.6%		
13,186,500	Astra International Tbk PT #	$5,680,119
Banks: 25.3%		
7,173,600	Bank Central Asia Tbk PT #	6,872,877
2,913,648	Bank Danamon Indonesia Tbk PT #	673,807
7,786,351	Bank Mandiri Persero Tbk PT #	5,170,449
9,448,532	Bank Negara Indonesia Persero Tbk PT #	3,382,743
6,964,800	Bank Rakyat Indonesia Tbk PT #	5,716,014
		21,815,890
Capital Goods: 5.0%		
2,637,500	Pembangunan Perumahan Persero Tbk PT #	735,303
1,937,169	United Tractors Tbk PT #	2,358,722
5,845,088	Waskita Karya Persero Tbk PT #	701,673
2,726,100	Wijaya Karya Persero Tbk PT #	517,328
		4,313,026
Diversified Financials: 1.7%		
2,217,250	First Pacific Company Ltd. (HKD) #	1,468,768
Energy: 2.6%		
20,257,400	Adaro Energy Tbk PT #	748,568
2,845,150	Banpu PCL (NVDR) (THB) † #	1,258,247
846,400	Tambang Batubara Bukit Asam Tbk PT #	274,461
		2,281,276
Food, Beverage & Tobacco: 12.4%		
398,900	Astra Agro Lestari Tbk PT #	454,704
9,139,000	Charoen Pokphand Indonesia Tbk PT #	1,703,005
622,500	First Resources Ltd. (SGD) #	840,508
6,774,800	Golden Agri-Resources Ltd. (SGD) #	1,617,394
584,900	Gudang Garam Tbk PT #	2,321,421
1,403,300	Indofood Cbp Sukses Makmur Tbk PT #	1,357,564
5,560,800	Indofood Sukses Makmur Tbk PT #	2,069,842
3,543,300	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT #	335,727
		10,700,165
Household & Personal Products: 4.5%		
1,449,700	Unilever Indonesia Tbk PT #	3,869,852
Materials: 8.2%		
18,844,200	G-Resources Group Ltd. (HKD) #	447,404
12,599,900	Hanson International Tbk PT * #	578,504
1,678,600	Indocement Tunggal Prakarsa Tbk PT #	2,691,816

3,681,400	Semen Gresik Persero Tbk PT #	3,016,507	
2,643,000	Vale Indonesia Tbk PT * #	310,195	
		7,044,426	
Media: 0.6%			
3,616,500	Media Nusantara Citra Tbk PT #	481,484	
Pharmaceuticals, Biotechnology: 2.8%			
25,530,900	Kalbe Farma Tbk PT #	2,429,121	

Number of Shares		Value
Real Estate: 8.1%		
12,195,500	Alam Sutera Realty Tbk PT #	$299,831
11,458,000	Bumi Serpong Damai Tbk PT #	1,477,921
10,874,343	Ciputra Development Tbk PT #	1,139,908
23,092,700	Lippo Karawaci Tbk PT #	1,728,271
29,280,500	Pakuwon Jati Tbk PT #	1,041,876
11,329,600	Summarecon Agung Tbk PT #	1,337,105
		7,024,912
Retailing: 7.3%		
105,088	Jardine Cycle & Carriage Ltd. (SGD) #	2,567,749
2,956,800	Matahari Department Store Tbk PT #	3,743,114
		6,310,863
Telecommunication Services: 10.6%		
159,718	Telekomunikasi Indonesia Tbk PT (ADR)	7,091,479
2,551,700	Tower Bersama Infrastructure Tbk PT * #	1,079,414
3,678,400	XL Axiata Tbk PT * #	968,179
		9,139,072
Transportation: 1.1%		
2,584,000	Jasa Marga Persero Tbk PT #	972,099
Utilities: 2.6%		
11,361,000	Perusahaan Gas Negara Tbk PT #	2,239,988
Total Common Stocks (Cost: $130,792,584)		85,771,061
REAL ESTATE INVESTMENT TRUST: 0.6% (Cost: $702,415)		
Real Estate: 0.6%		
2,197,200	Lippo Malls Indonesia Retail Trust	495,615
Total Investments Before Collateral for Securities Loaned: 100.0% (Cost: $131,494,999)		86,266,676

Principal Amount		
SHORT-TERM INVESTMENT HELD AS COLLATERAL FOR SECURITIES LOANED: 0.8% (Cost: $727,316)		
Repurchase Agreement: 0.8%		
$727,316	Repurchase agreement dated 12/31/15 with Daiwa Capital Markets America, Inc., 0.35%, due 1/4/16, proceeds $727,344; (collateralized by various U.S. government and agency obligations, 0.00% to 7.50%, due 1/21/16 to 2/1/49, valued at $741,862 including accrued interest)	727,316
		86,993,992

Total Investments: 100.8%	
(Cost: $132,222,315)	
Liabilities in excess of other assets: (0.8)%	(701,233)
NET ASSETS: 100.0%	$86,292,759

See Notes to Financial Statements

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INDONESIA INDEX ETF

SCHEDULE OF INVESTMENTS

(continued)

ADR	American Depositary Receipt
HKD	Hong Kong Dollar
NVDR	Non-Voting Depositary Receipt
SGD	Singapore Dollar
THB	Thai Baht
*	Non-income producing
†	Security fully or partially on loan. Total market value of securities on loan is $625,741.
#	Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $78,679,582 which represents 91.2% of net assets.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	**% of Investments**		**Value**
Consumer Discretionary	14.5	%	$12,472,466
Consumer Staples	16.9		14,570,017
Energy	2.6		2,281,276
Financial	35.7		30,805,185
Health Care	2.8		2,429,121
Industrials	6.1		5,285,125
Materials	8.2		7,044,426
Telecommunication Services	10.6		9,139,072
Utilities	2.6		2,239,988
	100.0	%	$86,266,676

The summary of inputs used to value the Fund’s investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	**Level 3 Significant Unobservable Inputs**	Value
Common Stocks				
Automobiles & Components	$—	$5,680,119	$ —	$5,680,119
Banks	—	21,815,890	—	21,815,890
Capital Goods	—	4,313,026	—	4,313,026
Diversified Financials	—	1,468,768	—	1,468,768
Energy	—	2,281,276	—	2,281,276
Food, Beverage & Tobacco	—	10,700,165	—	10,700,165
Household & Personal Products	—	3,869,852	—	3,869,852
Materials	—	7,044,426	—	7,044,426

Media	—	481,484	—	481,484
Pharmaceuticals, Biotechnology	—	2,429,121	—	2,429,121
Real Estate	—	7,024,912	—	7,024,912
Retailing	—	6,310,863	—	6,310,863
Telecommunication Services	7,091,479	2,047,593	—	9,139,072
Transportation	—	972,099	—	972,099
Utilities	—	2,239,988	—	2,239,988
Real Estate Investment Trust				
Real Estate	495,615	—	—	495,615
Repurchase Agreement	—	727,316	—	727,316
Total	$7,587,094	$79,406,898	$ —	$86,993,992

There were no transfers between levels during the year ended December 31, 2015.

See Notes to Financial Statements

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INDONESIA SMALL-CAP ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 100.2%		
Banks: 5.4%		
6,380,200	Bank Bukopin Tbk #	$322,604
Capital Goods: 20.8%		
2,950,871	Adhi Karya Persero Tbk PT #	453,109
1,248,500	Garuda Metalindo Tbk PT * #	107,897
7,211,000	Sitara Propertindo Tbk PT * #	292,095
5,597,700	Surya Semesta Internusa Tbk PT #	288,309
2,179,800	Total Bangun Persada Tbk PT #	96,532
		1,237,942
Energy: 12.5%		
7,564,700	Berau Coal Energy Tbk PT * # §	0
4,147,000	Elnusa Tbk PT #	73,791
59,442,400	Energi Mega Persada Tbk PT * #	214,918
2,076,600	Energy Earth PCL (NVDR) (THB) #	286,478
841,700	Geo Energy Resources Ltd. (SGD) * #	82,700
2,506,800	Soechi Lines Tbk PT * #	85,919
		743,806
Food, Beverage & Tobacco: 3.2%		
2,171,700	Tiga Pilar Sejahtera Food Tbk #	189,760
Materials: 3.7%		
7,680,000	Enviro Energy International Holdings Ltd. (HKD) * #	174,585
7,310,300	Sekawan Intipratama Tbk PT * # §	44,016
		218,601

Number of Shares		**Value**
Media: 1.8%		
5,846,900	Visi Media Asia Tbk PT * #	$105,344
Pharmaceuticals, Biotechnology: 4.2%		
29,900	3-D Matrix Ltd. * #	248,405
Real Estate: 39.1%		
7,194,700	Bekasi Fajar Industrial Estate Tbk PT #	152,383
7,197,700	Eureka Prima Jakarta Tbk PT * #	323,319
9,325,300	Intiland Development Tbk PT #	328,559
25,315,101	Kawasan Industri Jababeka Tbk PT #	449,558
716,800	Lippo Cikarang Tbk PT * #	374,127
13,340,300	Modernland Realty Tbk PT #	450,345
17,343,500	Nirvana Development Tbk PT * #	136,799
27,317,300	Sentul City Tbk PT #	113,924

		2,329,014
Retailing: 3.8%		
12,152,500	Multipolar Tbk PT #	224,816
Technology Hardware & Equipment: 5.7%		
2,059,700	Erajaya Swasembada Tbk PT #	80,733
8,108,900	Sigmagold Inti Perkasa Tbk PT * #	257,582
		338,315
Total Common Stocks (Cost: $8,493,200)		5,958,607
Liabilities in excess of other assets: (0.2)%		(9,983)
NET ASSETS: 100.0%		$5,948,624

HKD	Hong Kong Dollar
NVDR	Non-Voting Depositary Receipt
SGD	Singapore Dollar
THB	Thai Baht
*	Non-income producing
#	Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $5,958,607 which represents 100.2% of net assets.
§	Illiquid Security — the aggregate value of illiquid securities is $44,016 which represents 0.7% of net assets.

Summary of Investments by Sector (unaudited)	% of Investments		Value
Consumer Discretionary	5.5	%	$330,160
Consumer Staples	3.2		189,760
Energy	12.5		743,806
Financials	44.5		2,651,618
Health Care	4.2		248,405
Industrials	20.8		1,237,942
Information Technology	5.7		338,315
Materials	3.6		218,601
	100.0	%	$5,958,607

See Notes to Financial Statements

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INDONESIA SMALL-CAP ETF

SCHEDULE OF INVESTMENTS

(continued)

The summary of inputs used to value the Fund’s investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	**Level 3 Significant Unobservable Inputs**	Value
Common Stocks				
Banks	$ —	$322,604	$—	$322,604
Capital Goods	—	1,237,942	—	1,237,942
Energy	—	743,806	0	743,806
Food, Beverage & Tobacco	—	189,760	—	189,760
Materials	—	174,585	44,016	218,601
Media	—	105,344	—	105,344
Pharmaceuticals, Biotechnology	—	248,405	—	248,405
Real Estate	—	2,329,014	—	2,329,014
Retailing	—	224,816	—	224,816
Technology Hardware & Equipment	—	338,315	—	338,315
Total	$ —	$5,914,591	$44,016	$5,958,607

During the year ended December 31, 2015, transfers of securities from Level 1 to Level 2 were $265,078. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities’ primary market (Level 1) and valuation by a pricing service (Level 2), which takes into account market direction or events occurring before the Fund’s pricing time but after the last local close, as described in the Notes to Financial Statements.

The following table reconciles the valuation of the Fund’s Level 3 investment securities and related transactions during the year ended December 31, 2015:

	Common Stocks	
	Energy	**Materials**
Balance as of December 31, 2014	$ —	$—
Realized gain (loss)	—	—
Net change in unrealized appreciation (depreciation)	(31,539)	(61,294)
Purchases	—	105,310
Sales	—	—
Transfers in and/or out of level 3 ^	31,539	—

Balance as of December 31, 2015	$0	$44,016

^Transfers from Level 2 to Level 3 resulted from a lack of observable inputs to value the securities.

See Notes to Financial Statements

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ISRAEL ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 99.3%		
Banks: 9.2%		
290,294	Bank Hapoalim BM #	$1,498,480
396,883	Bank Leumi Le-Israel BM * #	1,376,100
8,425	FIBI Holdings Ltd. #	115,835
17,441	First International Bank of Israel Ltd. #	205,852
309,122	Israel Discount Bank Ltd. * #	560,584
40,153	Mizrahi Tefahot Bank Ltd. #	479,562
		4,236,413
Capital Goods: 3.5%		
8,200	Caesarstone Sdot-Yam Ltd. (USD) *	355,388
7,284	Elbit Systems Ltd. † #	641,240
1,073	Electra Ltd. #	132,275
9,300	Kornit Digital Ltd. (USD) *	101,649
131,200	Sarine Technologies Ltd. (SGD) #	141,389
63,419	Shapir Engineering and Industry Ltd. #	102,950
101,114	Shikun & Binui Ltd. #	159,485
		1,634,376
Consumer Durables & Apparel: 1.1%		
5,301	Delta-Galil Industries Ltd. #	146,316
7,785	Fox Wizel Ltd. #	112,439
38,564	Maytronics Ltd. #	99,858
9,506	SodaStream International Ltd. (USD) * †	155,043
		513,656
Consumer Services: 0.4%		
61,502	888 Holdings Plc (GBP) #	165,456
Diversified Financials: 0.4%		
29,167	Plus500 Ltd. (GBP) #	184,981
Energy: 3.9%		
13,574	Alon USA Energy, Inc. (USD)	201,438
331	Delek Energy Systems Ltd. * #	145,093
1,685	Delek Group Ltd. #	337,425
17,959	Delek US Holdings, Inc. (USD)	441,791
23,936	Naphtha Israel Petroleum Corp. Ltd. *	117,679
551,443	Oil Refineries Ltd. * #	218,002
2,304	Paz Oil Co. Ltd. † #	362,006
		1,823,434
Food & Staples Retailing: 0.6%		
3,452	Rami Levi Chain Stores Hashikma Marketing Ltd. #	158,502
40,888	Shufersal Ltd. * #	126,710

		285,212
Food, Beverage & Tobacco: 1.0%		
13,008	Osem Investments Ltd. † #	223,123
14,940	Strauss Group Ltd. † #	222,402
		445,525
Health Care Equipment & Services: 0.6%		
28,028	Mazor Robotics Ltd. * #	141,740
18,997	Syneron Medical Ltd. (USD) *	146,467
		288,207
Insurance: 1.6%		
12,343	Clal Insurance Enterprises Holdings Ltd. * #	150,683
50,453	Harel Insurance Investments & Financial Services Ltd. #	193,556
15,193	Menorah Mivtachim Holdings Ltd. #	130,406

Number of Shares		**Value**
Insurance: (continued)		
189,440	Migdal Insurance & Financial Holding Ltd. #	$137,804
50,245	Phoenix Holdings Ltd. * #	111,955
		724,404
Materials: 3.4%		
11,255	Frutarom Industries Ltd. #	604,284
168,253	Israel Chemicals Ltd. #	682,981
1,460	Israel Corp. Ltd. #	264,713
		1,551,978
Pharmaceuticals, Biotechnology: 31.0%		
19,399	Alcobra Ltd. (USD) *	121,826
67,235	BioLine RX Ltd. * #	87,035
5,477	Chiasma, Inc. (USD) *	107,185
25,591	Compugen Ltd. (USD) * †	163,526
11,884	Enzymotec Ltd. (USD) *	116,463
17,011	Evogene Ltd. * #	135,917
15,114	Foamix Pharmaceuticals Ltd. (USD) *	122,575
25,164	Kamada Ltd. * #	105,343
19,868	Medgenics, Inc. (USD) *	119,605
6,879	Neuroderm Ltd. (USD) *	117,287
94,206	Opko Health, Inc. (USD) * †	946,770
37,349	Perrigo Co. Plc (USD)	5,404,400
85,110	Pluristem Therapeutics, Inc. (USD) *	96,174
106,208	Protalix BioTherapeutics, Inc. (USD) *	108,332
9,430	Redhill Biopharma Ltd. (ADR) * †	121,458
3,840	Taro Pharmaceutical Industries Ltd. (USD) *	593,472
89,446	Teva Pharmaceutical Industries Ltd. #	5,835,464
		14,302,832
Real Estate: 4.4%		
123,813	Africa Israel Investments Ltd. * #	57,933
10,578	Africa Israel Properties Ltd. #	111,924
5,780	Alrov Properties and Lodgings Ltd. #	115,721
51,707	Amot Investments Ltd. #	166,099
10,020	Azrieli Group #	373,267
421	Bayside Land Corp. #	126,953

2,443	Big Shopping Centers Ltd. #	124,561
4,112	Blue Square Real Estate Ltd.	126,814
28,874	Gazit-Globe Ltd. #	257,099
57,724	Jerusalem Economy Ltd. * † #	85,183
4,275	Jerusalem Oil Exploration * #	167,380
6,598	Melisron Ltd. † #	211,169
1,511	Property & Building Corp. * #	106,784
		2,030,887
Retailing: 0.3%		
18,274	Delek Automotive Systems Ltd. #	162,728
Semiconductor: 4.1%		
8,764	Ceva, Inc. (USD) *	204,727
13,396	DSP Group, Inc. (USD) *	126,458
11,224	EZchip Semiconductor Ltd. * #	277,882
12,355	Mellanox Technologies Ltd. (USD) *	520,640
13,735	Nova Measuring Instruments Ltd. * #	137,271
8,307	SolarEdge Technologies, Inc. (USD) *	234,008
26,479	Tower Semiconductor Ltd. (USD) * †	372,295
		1,873,281

See Notes to Financial Statements

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ISRAEL ETF

SCHEDULE OF INVESTMENTS

(continued)

Number of Shares		Value
Software & Services: 25.6%		
20,694	Allot Communications Ltd. (USD) *	$120,439
42,919	Amdocs Ltd. (USD)	2,342,090
9,915	Attunity Ltd. (USD) *	109,561
36,897	Check Point Software Technologies Ltd. (USD) *	3,002,678
6,843	CyberArk Software Ltd. (USD) * †	308,893
5,122	Formula Systems Ltd. #	138,830
8,962	Hilan Ltd.	114,010
8,899	Imperva, Inc. (USD) *	563,396
25,809	LivePerson, Inc. (USD) *	174,211
31,006	Magic Software Enterprises Ltd. (USD)	171,463
21,167	Matrix IT Ltd. #	123,146
44,178	Mobileye NV (USD) * †	1,867,846
17,905	NICE Systems Ltd. #	1,028,805
35,197	Perion Network Ltd. (USD) *	127,765
33,541	SafeCharge International Group Ltd (GBP)	122,601
14,426	Sapiens International Corp. NV (USD)	147,145
7,034	Varonis Systems, Inc. (USD) *	132,239
20,442	Verint Systems, Inc. (USD) *	829,128
11,366	Wix.com Ltd. (USD) *	258,577
80,840	XLMedia PLC (GBP)	97,107
		11,779,930
Technology Hardware & Equipment: 3.5%		
26,680	AudioCodes Ltd. (USD) *	104,052
78,317	Ceragon Networks Ltd. (USD) *	94,764
8,245	Ituran Location and Control Ltd. #	154,374
12,363	Orbotech Ltd. (USD) *	273,593
15,836	Radware Ltd. (USD) *	242,924
4,297	Silicom Ltd. (USD) †	130,199
15,384	Stratasys Ltd. (USD) * †	361,216
18,191	SuperCom Ltd. (USD) *	94,957
43,972	Telit Communications Plc (GBP) * †	138,370
		1,594,449
Telecommunication Services: 3.4%		
550,033	Bezeq The Israeli Telecommunication Corp. Ltd. #	1,210,806
26,142	Cellcom Israel Ltd. * #	162,631
43,401	Partner Communications Co. Ltd. * † #	191,599
		1,565,036
Transportation: 0.3%		
192,827	El Al Israel Airlines #	153,559

Utilities: 1.0%			
12,099	Ormat Technologies, Inc. (USD)	441,251	
Total Common Stocks (Cost: $50,246,204)		45,757,595	
REAL ESTATE INVESTMENT TRUST: 0.5% (Cost: $262,263)			
Real Estate: 0.5%			
35,440	Alony Hetz Properties & Investments Ltd. † #	256,649	
Total Investments Before Collateral for Securities Loaned: 99.8% (Cost: $50,508,467)		46,014,244	

Principal Amount		**Value**
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 9.0%		
Repurchase Agreements: 9.0%		
$1,000,000	Repurchase agreement dated 12/31/15 with BNP Paribas Securities Corp., 0.30%, due 1/4/16, proceeds $1,000,033; (collateralized by various U.S. government and agency obligations, 0.00% to 5.50%, due 6/6/16 to 5/4/37, valued at $1,020,000 including accrued interest)	$1,000,000
1,000,000	Repurchase agreement dated 12/31/15 with Citigroup Global Markets, Inc., 0.34%, due 1/4/16, proceeds $1,000,038; (collateralized by various U.S. government and agency obligations, 0.00% to 11.50%, due 1/15/16 to 4/1/51, valued at $1,020,000 including accrued interest)	1,000,000
1,000,000	Repurchase agreement dated 12/31/15 with HSBC Securities USA, Inc., 0.29%, due 1/4/16, proceeds $1,000,032; (collateralized by various U.S. government and agency obligations, 3.00%, due 11/15/44, valued at $1,020,003 including accrued interest)	1,000,000
118,149	Repurchase agreement dated 12/31/15 with JP Morgan Securities LLC, 0.32%, due 1/4/16, proceeds $118,153; (collateralized by various U.S. government and agency obligations, 0.00% to 2.00%, due 4/28/16 to 2/15/25, valued at $120,513 including accrued interest)	118,149
1,000,000	Repurchase agreement dated 12/31/15 with Mizuho Securities USA, Inc., 0.30%, due 1/4/16, proceeds $1,000,033; (collateralized by various U.S. government and agency obligations, 0.00% to 9.00%, due 6/13/16 to 3/1/44, valued at $1,020,000 including accrued interest)	1,000,000
Total Short-Term Investments Held as Collateral for Securities Loaned (Cost: $4,118,149)		4,118,149
Total Investments: 108.8% (Cost: $54,626,616)		50,132,393
Liabilities in excess of other assets: (8.8)%		(4,041,761)
NET ASSETS: 100.0%		$46,090,632

See Notes to Financial Statements

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ADR	American Depositary Receipt
GBP	British Pound
SGD	Singapore Dollar
USD	United States Dollar
*	Non-income producing
†	Security fully or partially on loan. Total market value of securities on loan is $4,013,659.
#	Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $22,400,299 which represents 48.6% of net assets.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments	Value
Consumer Discretionary	1.8 %	$841,840
Consumer Staples	1.6	730,737
Energy	4.0	1,823,434
Financial	16.1	7,433,334
Health Care	31.7	14,591,039
Industrials	3.9	1,787,935
Information Technology	33.1	15,247,660
Materials	3.4	1,551,978
Telecommunication Services	3.4	1,565,036
Utilities	1.0	441,251
	100.0 %	$46,014,244

The summary of inputs used to value the Fund's investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	**Level 3 Significant Unobservable Inputs**	**Value**
Common Stocks				
Banks	$—	$4,236,413	$ —	$4,236,413
Capital Goods	457,037	1,177,339	—	1,634,376
Consumer Durables & Apparel	155,043	358,613	—	513,656
Consumer Services	—	165,456	—	165,456
Diversified Financials	—	184,981	—	184,981
Energy	760,908	1,062,526	—	1,823,434
Food & Staples Retailing	—	285,212	—	285,212
Food, Beverage & Tobacco	—	445,525	—	445,525
Health Care Equipment & Services	146,467	141,740	—	288,207
Insurance	—	724,404	—	724,404
Materials	—	1,551,978	—	1,551,978
Pharmaceuticals, Biotechnology	8,139,073	6,163,759	—	14,302,832

Real Estate	126,814	1,904,073	—	2,030,887
Retailing	—	162,728	—	162,728
Semiconductor	1,458,128	415,153	—	1,873,281
Software & Services	10,489,149	1,290,781	—	11,779,930
Technology Hardware & Equipment	1,440,075	154,374	—	1,594,449
Telecommunication Services	—	1,565,036	—	1,565,036
Transportation	—	153,559	—	153,559
Utilities	441,251	—	—	441,251
Real Estate Investment Trust				
Real Estate	—	256,649	—	256,649
Repurchase Agreements	—	4,118,149	—	4,118,149
Total	$23,613,945	$26,518,448	$ —	$50,132,393

During the year ended December 31, 2015, transfers of securities from Level 1 to Level 2 were $527,616 and transfers from Level 2 to Level 1 were $99,495. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities' primary market (Level 1) and valuation by a pricing service (Level 2), which takes into account market direction or events occurring before the Fund's pricing time but after the last local close, as described in the Notes to Financial Statements.

See Notes to Financial Statements

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POLAND ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 99.8%		
Banks: 32.2%		
27,308	Alior Bank SA * #	$458,737
19,474	Bank Handlowy w Warszawie SA † #	353,434
260,347	Bank Millennium SA * † #	366,318
33,769	Bank Pekao SA #	1,225,124
10,322	Bank Zachodni WBK SA * † #	738,806
6,295	MBank SA * † #	499,373
185,254	PKO Bank Polski SA * #	1,278,139
		4,919,931
Consumer Durables & Apparel: 6.6%		
449	LPP SA #	630,260
10,978	NG2 SA #	383,882
		1,014,142
Energy: 13.9%		
44,086	Grupa Lotos SA * † #	301,229
59,454	Polski Koncern Naftowy Orlen SA † #	1,016,642
625,843	Polskie Gornictwo Naftowe I Gazownictwo SA #	811,389
		2,129,260
Food & Staples Retailing: 7.9%		
46,333	Eurocash SA #	567,182
49,068	Jeronimo Martins, SGPS SA (EUR) #	638,227
		1,205,409
Insurance: 7.1%		
126,131	Powszechny Zaklad Ubezpieczen SA #	1,080,884
Materials: 7.6%		
31,499	Jastrzebska Spolka Weglowa SA * †	84,950
48,978	KGHM Polska Miedz SA #	784,763
299,774	Synthos SA † #	288,107
		1,157,820
Media: 3.2%		
93,267	Cyfrowy Polsat SA * #	492,468
Software & Services: 4.3%		
35,627	Asseco Poland SA #	509,295
27,171	CD Projekt Red SA * #	152,371
		661,666
Telecommunication Services: 4.2%		
383,369	Orange Polska SA	636,853
Utilities: 12.8%		

128,955	Enea SA #	367,578	
77,017	Energa SA #	246,283	
286,907	Polska Grupa Energetyczna SA #	923,978	
564,200	Tauron Polska Energia SA † #	410,612	
		1,948,451	
Total Common Stocks			
(Cost: $23,789,944)		15,246,884	

Number of Shares		Value
MONEY MARKET FUND: 0.4%		
(Cost: $57,763)		
57,763	Dreyfus Government Cash Management Fund	$57,763
Total Investments Before Collateral for Securities Loaned: 100.2%		
(Cost: $23,847,707)		15,304,647

Principal Amount		
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 16.7%		
Repurchase Agreements: 16.7%		
$1,000,000	Repurchase agreement dated 12/31/15 with Citigroup Global Markets, Inc., 0.34%, due 1/4/16, proceeds $1,000,038; (collateralized by various U.S. government and agency obligations, 0.00% to 11.50%, due 1/15/16 to 4/1/51, valued at $1,020,000 including accrued interest)	1,000,000
549,644	Repurchase agreement dated 12/31/15 with HSBC Securities USA, Inc., 0.29%, due 1/4/16, proceeds $549,662; (collateralized by various U.S. government and agency obligations, 3.00%, due 11/15/44, valued at $560,638 including accrued interest)	549,644
1,000,000	Repurchase agreement dated 12/31/15 with Merrill Lynch, Pierce, Fenner & Smith, Inc., 0.31%, due 1/4/16, proceeds $1,000,034; (collateralized by various U.S. government and agency obligations, 3.00% to 4.50%, due 11/15/42 to 2/20/45, valued at $1,020,000 including accrued interest)	1,000,000
Total Short-Term Investments Held as Collateral for Securities Loaned		
(Cost: $2,549,644)		2,549,644
Total Investments: 116.9%		
(Cost: $26,397,351)		17,854,291
Liabilities in excess of other assets: (16.9)%		(2,585,327)
NET ASSETS: 100.0%		$15,268,964

EUR	Euro
*	Non-income producing
†	Security fully or partially on loan. Total market value of securities on loan is $2,375,668.
#	Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $14,525,081 which represents 95.1% of net assets.

See Notes to Financial Statements

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments	Value
Consumer Discretionary	9.8 %	$1,506,610
Consumer Staples	7.9	1,205,409
Energy	13.9	2,129,260
Financial	39.2	6,000,815
Information Technology	4.3	661,666
Materials	7.6	1,157,820
Telecommunication Services	4.2	636,853
Utilities	12.7	1,948,451
Money Market Fund	0.4	57,763
	100.0 %	$15,304,647

The summary of inputs used to value the Fund's investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	**Level 3 Significant Unobservable Inputs**	Value
Common Stocks				
Banks	$—	$4,919,931	$ —	$4,919,931
Consumer Durables & Apparel	—	1,014,142	—	1,014,142
Energy	—	2,129,260	—	2,129,260
Food & Staples Retailing	—	1,205,409	—	1,205,409
Insurance	—	1,080,884	—	1,080,884
Materials	84,950	1,072,870	—	1,157,820
Media	—	492,468	—	492,468
Software & Services	—	661,666	—	661,666
Telecommunication Services	636,853	—	—	636,853
Utilities	—	1,948,451	—	1,948,451
Money Market Fund	57,763	—	—	57,763
Repurchase Agreements	—	2,549,644	—	2,549,644
Total	$779,566	$17,074,725	$ —	$17,854,291

During the year ended December 31, 2015, transfers of securities from Level 1 to Level 2 were $334,594 and transfers from Level 2 to Level 1 were $964,289. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities' primary market (Level 1) and valuation by a pricing service (Level 2), which takes into account market direction or events occurring before the Fund's pricing time but after the last local close, as described in the Notes to Financial Statements.

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RUSSIA ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 94.5%		
Banks: 12.2%		
22,809,882	Sberbank of Russia (ADR) #	$133,811,846
36,829,053	VTB Bank OJSC (GDR) # Reg S	77,526,924
		211,338,770
Energy: 33.6%		
3,564,882	Lukoil PJSC (ADR) #	115,400,189
1,146,930	Novatek OAO (GDR) # Reg S	94,466,714
36,163,501	OAO Gazprom (ADR) #	134,464,685
22,254,521	Rosneft Oil Co. (GDR) # Reg S	77,574,854
16,119,732	Surgutneftegas OJSC (ADR) #	74,767,557
3,249,841	Tatneft PAO (ADR) #	85,949,494
		582,623,493
Food & Staples Retailing: 11.4%		
6,124,719	Lenta Ltd. (GDR) * # Reg S	41,538,977
2,877,789	Magnit OAO (GDR) # Reg S	115,721,433
2,128,359	X5 Retail Group NV (GDR) * Reg S	40,332,403
		197,592,813
Materials: 17.2%		
40,229,369	Alrosa AO #	30,811,231
8,163,979	MMC Norilsk Nickel PJSC (ADR) #	103,460,187
1,992,636	Novolipetsk Steel (GDR) # Reg S	16,957,866
3,044,993	PhosAgro OAO (GDR) # Reg S	39,054,931
5,647,641	Polymetal International (GBP) #	48,315,469
4,177,906	Severstal OAO (GDR) # Reg S	34,906,259
7,720,000	United Company RUSAL Plc (HKD) #	2,352,862
9,761,828	Uralkali PJSC * #	23,659,840
		299,518,645
Pharmaceuticals, Biotechnology: 0.1%		
632,538	OTCPharm PJSC * §	1,991,973

Number of Shares		Value
Software & Services: 7.7%		
2,476,801	Mail.ru Group Ltd. (GDR) * # Reg S	$55,388,968
4,948,517	Yandex NV (USD) *	77,790,687
		133,179,655
Telecommunication Services: 10.0%		
2,797,656	MegaFon PJSC (GDR) # Reg S	32,545,588
12,014,092	Mobile TeleSystems OJSC (ADR)	74,247,089

3,669,089	Rostelecom OJSC (ADR) #	27,277,776
4,125,197	Sistema JSFC (GDR) # Reg S	24,286,206
4,589,225	VimpelCom Ltd. (ADR)	15,052,658
		173,409,317
Utilities: 2.3%		
269,519,304	E.ON Russia JSC (USD) * #	11,725,437
7,410,870	Irkutsk Electronetwork Co. JSC (USD) * # §	0
30,271,443	RusHydro PJSC (ADR)	28,939,500
		40,664,937
Total Common Stocks		
(Cost: $2,351,446,615)		1,640,319,603
PREFERRED STOCK: 5.5%		
(Cost: $75,451,668)		
Energy: 5.5%		
35,649	AK Transneft OAO #	94,614,897
MONEY MARKET FUND: 1.9%		
(Cost: $33,662,673)		
33,662,673	Dreyfus Government Cash Management Fund	33,662,673
Total Investments: 101.9%		
(Cost: $2,460,560,956)		1,768,597,173
Liabilities in excess of other assets: (1.9)%		(32,748,099)
NET ASSETS: 100.0%		$1,735,849,074

ADR	American Depositary Receipt
GBP	British Pound
GDR	Global Depositary Receipt
HKD	Hong Kong Dollar
USD	United States Dollar
*	Non-income producing
#	Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $1,496,580,190 which represents 86.2% of net assets.
§	Illiquid Security — the aggregate value of illiquid securities is $1,991,973 which represents 0.1% of net assets.
Reg S	Security was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States. Such a security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration.

See Notes to Financial Statements

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Summary of Investments by Sector (unaudited)	% of Investments		Value
Consumer Staples	11.2	%	$197,592,813
Energy	38.3		677,238,390
Financials	12.0		211,338,770
Health Care	0.1		1,991,973
Information Technology	7.5		133,179,655
Materials	16.9		299,518,645
Telecommunication Services	9.8		173,409,317
Utilities	2.3		40,664,937
Money Market Fund	1.9		33,662,673
	100.0	%	$1,768,597,173

The summary of inputs used to value the Fund's investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	**Level 3 Significant Unobservable Inputs**	Value
Common Stocks				
Banks	$—	$211,338,770	$ —	$211,338,770
Energy	—	582,623,493	—	582,623,493
Food & Staples Retailing	40,332,403	157,260,410	—	197,592,813
Materials	—	299,518,645	—	299,518,645
Pharmaceutical, Biotechnology	1,991,973	—	—	1,991,973
Software & Services	77,790,687	55,388,968	—	133,179,655
Telecommunication Services	89,299,747	84,109,570	—	173,409,317
Utilities	28,939,500	11,725,437	0	40,664,937
Preferred Stock				
Energy	—	94,614,897	—	94,614,897
Money Market Fund	33,662,673	—	—	33,662,673
Total	$272,016,983	$1,496,580,190	$ 0	$1,768,597,173

During the year ended December 31, 2015, transfers of securities from Level 1 to Level 2 were $195,087,674 and transfers from Level 2 to Level 1 were $18,747,442. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities' primary market (Level 1) and valuation by a pricing service (Level 2), which takes into account market direction or events occurring before the Fund's pricing time but after the last local close, as described in the Notes to Financial Statements.

The following table reconciles the valuation of the Fund's Level 3 investment securities and related transactions during the year ended December 31, 2015:

	Common Stocks Utilities
Balance as of December 31, 2014	$62,180
Realized gain (loss)	—
Net change in unrealized appreciation (depreciation)	(62,180)
Purchases	—
Sales	—
Transfers in and/or out of level 3	—
Balance as of December 31, 2015	$0

See Notes to Financial Statements

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RUSSIA SMALL-CAP ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 90.3%		
Banks: 3.0%		
351,349	TCS Group Holding Plc (GDR) # Reg S	$1,074,695
Diversified Financials: 4.0%		
216,878	Vostok New Ventures Ltd. (SDR) (SEK) *	1,402,018
Energy: 5.1%		
49,312	CAT Oil AG (EUR) #	338,961
462,136	OAO TMK (GDR) # Reg S	1,475,624
		1,814,585
Food & Staples Retailing: 2.5%		
438,772	O'Key Group SA (GDR) Reg S	877,544
Materials: 22.7%		
38,788	Acron JSC (USD) *	2,006,981
1,425,657	Evraz Plc (GBP) * #	1,537,632
883,885	Highland Gold Mining Ltd. (GBP)	742,572
12,906,800	IRC Ltd. (HKD) * # §	314,582
650,439	Magnitogorsk Iron & Steel Works (GDR) # Reg S	2,170,549
1,066,689	Mechel OAO (ADR) *	872,338
982,865	Raspadskaya OAO * #	403,474
		8,048,128
Media: 6.4%		
363,649	CTC Media, Inc. (USD)	672,751
679,393	ITE Group Plc (GBP)	1,579,641
		2,252,392
Pharmaceuticals, Biotechnology: 1.6%		
175,600	OTCPharm PJSC * §	552,995
Real Estate: 11.7%		
725,895	Etalon Group Ltd. (GDR) Reg S	1,299,352
959,186	LSR Group PJSC (GDR) Reg S	1,918,372
1,537,046	Raven Russia Ltd. (GBP) * #	921,480
		4,139,204

Number of Shares		Value
Software & Services: 4.5%		
88,269	Qiwi Plc (ADR)	$1,584,429
Transportation: 11.5%		
3,321,412	Aeroflot - Russian Airlines PJSC * #	2,556,644
336,736	Globaltrans Investment Plc (GDR) * Reg S	1,532,149
		4,088,793

Utilities: 17.3%		
1,979,581,200	Federal Grid Co. Unified Energy System JSC #	1,613,359
139,469,600	Inter Rao Ues OAO #	2,115,614
46,298,800	Mosenergo OAO #	519,565
231,548,600	OGK-2 OAO #	707,149
187,619,200	Rosseti PJSC * #	1,174,871
		6,130,558
Total Common Stocks (Cost: $49,657,027)		31,965,341
PREFERRED STOCK: 9.5% (Cost: $2,500,829)		
Energy: 9.5%		
1,265	AK Transneft OAO #	3,357,397
MONEY MARKET FUND: 0.1% (Cost: $37,838)		
37,838	Dreyfus Government Cash Management Fund	37,838
Total Investments: 99.9% (Cost: $52,195,694)		35,360,576
Other assets less liabilities: 0.1%		31,738
NET ASSETS: 100.0%		$35,392,314

ADR	American Depositary Receipt
EUR	Euro
GBP	British Pound
GDR	Global Depositary Receipt
HKD	Hong Kong Dollar
SDR	Special Drawing Right
SEK	Swedish Krona
USD	United States Dollar
*	Non-income producing
#	Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $20,281,596 which represents 57.3% of net assets.
§	Illiquid Security — the aggregate value of illiquid securities is $867,577 which represents 2.5% of net assets.
Reg S	Security was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States. Such a security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration.

See Notes to Financial Statements

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Summary of Investments by Sector (unaudited)	% of Investments	Value
Consumer Discretionary	6.4 %	$2,252,392
Consumer Staples	2.5	877,544
Energy	14.6	5,171,982
Financials	18.7	6,615,917
Health Care	1.6	552,995
Industrials	11.6	4,088,793
Information Technology	4.5	1,584,429
Materials	22.7	8,048,128
Utilities	17.3	6,130,558
Money Market Fund	0.1	37,838
	100.0 %	$35,360,576

The summary of inputs used to value the Fund's investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	**Level 3 Significant Unobservable Inputs**	Value
Common Stocks				
Banks	$—	$1,074,695	$ —	$1,074,695
Diversified Financials	1,402,018	—	—	1,402,018
Energy	—	1,814,585	—	1,814,585
Food & Staples Retailing	877,544	—	—	877,544
Materials	3,621,891	4,426,237	—	8,048,128
Media	2,252,392	—	—	2,252,392
Pharmaceutical, Biotechnology	552,995	—	—	552,995
Real Estate	3,217,724	921,480	—	4,139,204
Software & Services	1,584,429	—	—	1,584,429
Transportation	1,532,149	2,556,644	—	4,088,793
Utilities	—	6,130,558	—	6,130,558
Preferred Stock				
Energy	—	3,357,397	—	3,357,397
Money Market Fund	37,838	—	—	37,838
Total	$15,078,980	$20,281,596	$ —	$35,360,576

During the year ended December 31, 2015, transfers of securities from Level 1 to Level 2 were $3,966,053 and transfers from Level 2 to Level 1 were $9,486,580. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities' primary market (Level 1) and valuation by a pricing service (Level 2), which takes into account market direction or events occurring before the Fund's pricing time but after the last local close, as described in the Notes to Financial Statements.

See Notes to Financial Statements

VIETNAM ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 99.9%		
Automobiles & Components: 0.0%		
3	Danang Rubber JSC	$6
Banks: 17.4%		
16,230,398	Bank for Foreign Trade of Vietnam JSC #	31,611,797
46,662,412	Saigon Thuong Tin Commercial JSB *	27,186,017
25,338,521	Saigon-Hanoi Commercial Joint Stock Bank * #	7,305,531
		66,103,345
Capital Goods: 5.6%		
6,992,710	Hoang Huy Investment Services JSC #	4,006,242
41,073,341	Tan Tao Investment Industry Corp. * #	10,206,367
13,772,497	Viet Nam Construction & Import-Export JSC #	6,913,611
		21,126,220
Consumer Durables & Apparel: 4.8%		
405,102	Hansae Co Ltd. (KRW) #	18,130,359
Consumer Services: 5.0%		
33,730,986	Donaco International Ltd. (AUD) * † #	18,791,003
Diversified Financials: 10.1%		
31,665,834	HAGL JSC * #	14,610,536
6	Ocean Group JSC * §	1
23,954,861	Saigon Securities, Inc. * #	23,622,007
		38,232,544
Energy: 15.0%		
15,254,550	Petroleum Technical Services Corp. #	11,310,633
68	Petrovietnam Construction Co. *	9
6,201,247	PetroVietnam Drilling & Well Services JSC #	7,301,264
12,916,135	Petrovietnam Transportation Corp. ‡ * #	5,845,379
19,351,875	Premier Oil Plc (GBP) * #	13,842,995
8,538,689	Soco International Plc (GBP) #	18,439,169
		56,739,449
Food, Beverage & Tobacco: 10.1%		
9,406,580	Kinh Do Corp.	10,165,884
8,223,030	Masan Group Corp. * #	28,322,528
		38,488,412
Insurance: 5.5%		
8,883,806	Bao Viet Holdings #	20,840,210
Materials: 7.8%		
10,881,600	Hoa Phat Group JSC #	14,107,344
11,846,310	PetroVietnam Fertilizer & Chemical JSC #	15,328,505
		29,435,849

Real Estate: 13.1%			
28,322,302	FLC Group JSC ‡ * #	9,923,885	
12,554,640	Kinh Bac City Development Share Holding Corp. * #	7,297,499	
16,075,092	Vingroup JSC * #	32,630,259	
		49,851,643	

Number of Shares		Value
Transportation: 0.0%		
6	Gemadept Corp. #	$11
Utilities: 5.5%		
10,981,020	PetroVietnam Nhon Trach 2 Power JSC #	12,971,636
9,920,030	Pha Lai Thermal Power JSC #	8,059,298
		21,030,934
Total Common Stocks (Cost: $418,463,879)		378,769,985
WARRANTS: 0.0% (Cost: $0)		
Consumer Services: 0.0%		
32	Minor International PCL Warrants (THB 36.36, expiring 11/03/17) #	5
Total Investments Before Collateral for Securities Loaned: 99.9% (Cost: $418,463,879)		378,769,990

Principal Amount		
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 0.3%		
Repurchase Agreements: 0.3%		
$1,000,000	Repurchase agreement dated 12/31/15 with Nomura Securities International, Inc. , 0.33%, due 1/4/16, proceeds $1,000,037; (collateralized by various U.S. government and agency obligations, 0.00% to 10.50%, due 1/15/16 to 10/20/65, valued at $1,020,000 including accrued interest)	1,000,000
244,492	Repurchase agreement dated 12/31/15 with RBC Capital Markets LLC, 0.28%, due 1/4/16, proceeds $244,500; (collateralized by various U.S. government and agency obligations, 0.00% to 7.00%, due 4/20/25 to 3/20/65, valued at $249,382 including accrued interest)	244,492
Total Short-Term Investments Held as Collateral for Securities Loaned (Cost: $1,244,492)		1,244,492
Total Investments: 100.2% (Cost: $419,708,371)		380,014,482
Liabilities in excess of other assets: (0.2)%		(783,410)
NET ASSETS: 100.0%		$379,231,072

See Notes to Financial Statements

AUD	Australian Dollar
GBP	British Pound
KRW	Korean Won
THB	Thai Baht
‡	Affiliated issuer - as defined under the Investment Company Act of 1940.
*	Non-income producing
†	Security fully or partially on loan. Total market value of securities on loan is $1,156,558.
#	Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $341,418,073 which represents 90.0% of net assets.
§	Illiquid Security — the aggregate value of illiquid securities is $1 which represents 0.0% of net assets.

A summary of the Fund's transactions in securities of affiliates for the year ended December 31, 2015 is set forth below:

Affiliates	Value as of December 31, 2014	Purchases	Sales Proceeds	Realized Loss	Dividend Income	Value as of December 31, 2015
Donaco International Ltd. (a)	$17,502,554	$19,224,051	$15,153,281	$(4,482,904)	$ —	$—
FLC Group JSC	8,672,590	10,338,921	6,099,496	(1,957,130)	—	9,923,885
Ocean Group JSC (a)	5,247,645	1,563,902	3,170,058	(5,971,599)	—	—
Petrovietnam Transportation Corp.	9,849,715	4,004,374	4,675,096	(2,245,016)	—	5,845,379
Tan Tao Investment Industry Corp. (a)	13,732,325	9,497,870	6,956,045	(1,470,697)	—	—
	$55,004,829	$44,629,118	$36,053,976	$(16,127,346)	$ —	$15,769,264

(a) Security held by the Fund, however not classified as an affiliate at the end of the reporting period.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments	Value
Consumer Discretionary	9.7 %	$36,921,373
Consumer Staples	10.2	38,488,412
Energy	15.0	56,739,449
Financials	46.2	175,027,742
Industrials	5.6	21,126,231
Materials	7.8	29,435,849
Utilities	5.5	21,030,934
	100.0 %	$378,769,990

See Notes to Financial Statements

VIETNAM ETF

SCHEDULE OF INVESTMENTS

(continued)

The summary of inputs used to value the Fund's investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	**Level 3 Significant Unobservable Inputs**	Value
Common Stocks				
Automobiles & Components	$6	$—	$ —	$6
Banks	27,186,017	38,917,328	—	66,103,345
Capital Goods	—	21,126,220	—	21,126,220
Consumer Durables & Apparel	—	18,130,359	—	18,130,359
Consumer Services	—	18,791,003	—	18,791,003
Diversified Financials	1	38,232,543	—	38,232,544
Energy	9	56,739,440	—	56,739,449
Food, Beverage & Tobacco	10,165,884	28,322,528	—	38,488,412
Insurance	—	20,840,210	—	20,840,210
Materials	—	29,435,849	—	29,435,849
Real Estate	—	49,851,643	—	49,851,643
Transportation	—	11	—	11
Utilities	—	21,030,934	—	21,030,934
Warrants				
Consumer Services	—	5	—	5
Repurchase Agreements	—	1,244,492	—	1,244,492
Total	$37,351,917	$342,662,565	$ —	$380,014,482

During the year ended December 31, 2015, transfers of securities from Level 1 to Level 2 were $132,880,648 and transfers from Level 2 to Level 1 were $8,981,431. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities' primary market (Level 1) and valuation by a pricing service (Level 2), which takes into account market direction or events occurring before the Fund's pricing time but after the last local close, as described in the Notes to Financial Statements.

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MARKET VECTORS ETF TRUST

STATEMENTS OF ASSETS AND LIABILITIES

December 31, 2015

	Africa Index ETF	Brazil Small-Cap ETF	ChinaAMC A-Share ETF	ChinaAMC SME-ChiNext ETF
Assets:				
Investments, at value (1) (2)	$59,675,071	$65,017,233	$102,311,545	$57,011,931
Short-term investments held as collateral for securities loaned (3)	1,397,363	—	—	—
Cash	—	—	2,584,168 (b)	—
Cash denominated in foreign currency, at value (4)	—	405,931	409,145 (c)	2,170,602 (d)
Receivables:				
Investment securities sold	1,537,278	—	—	4,415,234
Shares sold	—	10,172	—	20,663
Due from Adviser	—	—	36,871	38,060
Dividends and interest	35,936	303,710	21	—
Swap contracts, at value	—	—	95,211	—
Prepaid expenses	1,580	1,555	1,803	675
Total assets	62,647,228	65,738,601	105,438,764	63,657,165
Liabilities:				
Payables:				
Investment securities purchased	90,453	—	—	5,000,536
Collateral for securities loaned	1,397,363	—	—	—
Line of credit	168,133	295,433	—	95,330
Shares redeemed	366,919	—	2,990	—
Due to Adviser	10,894	11,177	—	—
Due to custodian	599,599	26,689	—	2,116,063
Deferred Trustee fees	6,675	25,085	2,286	144
Accrued expenses	241,034	116,021	240,673	101,839
Total liabilities	2,881,070	474,405	245,949	7,313,912
NET ASSETS	$59,766,158	$65,264,196	$105,192,815	$56,343,253
Shares outstanding	3,300,000	6,250,000	2,350,000	1,350,000
Net asset value, redemption and offering price per share	$18.11	$10.44	$44.76	$41.74
Net assets consist of:				
Aggregate paid in capital	$119,904,951	$279,278,794	$90,769,090	$48,589,531
Net unrealized appreciation (depreciation)	(13,454,722)	(41,496,862)	15,892,481	13,548,351
Undistributed (accumulated) net investment income (loss)	(81,696)	(217,925)	(174,135)	(69,161)
Accumulated net realized gain (loss)	(46,602,375)	(172,299,811)	(1,294,621)	(5,725,468)
	$59,766,158	$65,264,196	$105,192,815	$56,343,253

(1)	Value of securities on loan	$988,715	$—	$—	$—
(2)	Cost of investments	$73,080,694	$106,507,912	$86,513,165	$43,463,092
(3)	Cost of short-term investments held as collateral for securities loaned	$1,397,363	$—	$—	$—
(4)	Cost of cash denominated in foreign currency	$—	$409,647	$410,256	$2,171,090

(a) Represents consolidated Statement of Assets and Liabilities.
(b) Includes $811,000 of segregated cash collateral for swap contracts.
(c) Includes $13,783 of foreign investor minimum settlement reserve funds.
(d) Includes $13,784 of foreign investor minimum settlement reserve funds.

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Egypt Index ETF	Gulf States Index ETF	India Small-Cap Index ETF(a)	Indonesia Index ETF	Indonesia Small-Cap ETF	Israel ETF	Poland ETF
$26,312,453	$8,861,572	$171,203,989	$86,266,676	$5,958,607	$46,014,244	$15,304,647
272,447	—	—	727,316	—	4,118,149	2,549,644
34,374	—	2,194	—	—	—	—
1,432,793	397,611	2,369,804	186,894	88,248	—	7,463
—	—	—	—	—	173,986	—
—	—	—	—	—	—	—
7,250	14,245	—	—	19,405	6,534	8,354
18,418	34,995	199,985	467,207	—	29,694	21,466
—	—	—	—	—	—	—
913	272	3,915	2,322	113	774	328
28,078,648	9,308,695	173,779,887	87,650,415	6,066,373	50,343,381	17,891,902
84,983	255,843	—	—	—	4,334	—
272,447	—	—	727,316	—	4,118,149	2,549,644
1,268,856	—	1,989,634	439,254	—	—	—
—	—	—	—	—	—	—
—	—	74,139	16,659	—	—	—
—	—	—	1,084	61,219	65,425	—
2,917	1,076	6,397	20,420	321	1,321	2,007
120,732	176,657	339,490	152,923	56,209	63,520	71,287
1,749,935	433,576	2,409,660	1,357,656	117,749	4,252,749	2,622,938
$26,328,713	$8,875,119	$171,370,227	$86,292,759	$5,948,624	$46,090,632	$15,268,964
674,974	400,000	3,924,967	4,700,000	750,000	1,600,000	1,150,000
$39.01	$22.19	$43.66	$18.36	$7.93	$28.81	$13.28
$57,742,772	$14,491,204	$198,272,374	$221,933,187	$12,245,417	$51,517,932	$38,799,497
(943,693)	1,286,658	31,000,339	(45,379,153)	(2,545,801)	(4,494,245)	(8,545,485)
(1,147,625)	(46,623)	(65,172)	246,544	(1,117)	(80,326)	(2,791)
(29,322,741)	(6,856,120)	(57,837,314)	(90,507,819)	(3,749,875)	(852,729)	(14,982,257)
$26,328,713	$8,875,119	$171,370,227	$86,292,759	$5,948,624	$46,090,632	$15,268,964
$259,034	$—	$—	$625,741	$—	$4,013,659	$2,375,668
$27,246,035	$7,574,880	$140,206,893	$131,494,999	$8,493,200	$50,508,467	$23,847,707
$272,447	$—	$—	$727,316	$—	$4,118,149	$2,549,644
$1,432,790	$397,645	$2,366,561	$207,640	$99,456	$—	$7,604

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

STATEMENTS OF ASSETS AND LIABILITIES

December 31, 2015 (continued)

	Russia ETF	Russia Small-Cap ETF	Vietnam ETF
Assets:			
Investments, at value (1)			
Unaffiliated issuers (2)	$1,768,597,173	$35,360,576	$363,000,726
Affiliated issuers (3)	—	—	15,769,264
Short-term investments held as collateral for securities loaned (4)	—	—	1,244,492
Cash	900,850	—	—
Cash denominated in foreign currency, at value (5)	67,719	201,718	4,851,414
Receivables:			
Investment securities sold	1,030,345	38,815	22,558
Shares sold	552,990	—	7,083
Due from Adviser	—	67,701	—
Dividends	9,340,123	16,239	1,421,969
Prepaid expenses	30,936	769	7,972
Total assets	1,780,520,136	35,685,818	386,325,478
Liabilities:			
Payables:			
Investment securities purchased	8,091,747	121,072	—
Collateral for securities loaned	—	—	1,244,492
Line of credit	35,048,339	—	4,071,689
Due to Adviser	537,446	—	166,381
Due to custodian	—	—	2,291
Distribution to shareholders	—	—	1,205,550
Deferred Trustee fees	99,314	1,304	23,775
Accrued expenses	894,216	171,128	380,228
Total liabilities	44,671,062	293,504	7,094,406
NET ASSETS	$1,735,849,074	$35,392,314	$379,231,072
Shares outstanding	118,200,000	1,833,318	25,650,000
Net asset value, redemption and offering price per share	$14.69	$19.31	$14.78
Net assets consist of:			
Aggregate paid in capital	$4,038,004,811	$72,355,039	$619,432,323
Net unrealized depreciation	(691,975,789)	(16,837,174)	(39,684,749)
Accumulated net investment loss	(3,950,704)	(23,298)	(1,184,584)
Accumulated net realized loss	(1,606,229,244)	(20,102,253)	(199,331,918)
	$1,735,849,074	$35,392,314	$379,231,072
(1) Value of securities on loan	$—	$—	$1,156,558
(2) Cost of investments – Unaffiliated issuers	$2,460,560,956	$52,195,694	$398,785,090
(3) Cost of investments – Affiliated issuers	$—	$—	$19,678,789
(4)	$—	$—	$1,244,492

	Cost of short-term investments held as collateral for securities loaned			
(5)	Cost of cash denominated in foreign currency	$79,564	$203,031	$4,841,601

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

STATEMENTS OF OPERATIONS

For the Year Ended December 31, 2015

	Africa Index ETF	Brazil Small-Cap ETF	ChinaAMC A-Share ETF	ChinaAMC SME-ChiNext ETF
Income:				
Dividends	$2,694,310	$3,253,624	$1,928,911	$279,466
Interest	—	—	19	—
Securities lending income	62,097	3,455	—	—
Foreign taxes withheld	(263,416)	(38,150)	(197,673)	(35,417)
Total income	2,492,991	3,218,929	1,731,257	244,049
Expenses:				
Management fees	440,706	414,029	521,803	243,026
Professional fees	50,379	50,064	151,097	93,990
Insurance	1,874	2,172	1,299	399
Trustees' fees and expenses	4,309	5,615	4,935	2,307
Reports to shareholders	16,752	12,408	16,306	20,855
Indicative optimized portfolio value fee	20,962	10,336	20,021	5,444
Custodian fees	143,316	74,139	405,690	127,740
Registration fees	5,000	4,243	4,918	5,000
Transfer agent fees	2,404	2,390	2,372	2,400
Fund accounting fees	19,985	6,451	41,495	14,531
Interest	4,229	6,863	29,147	4,749
Other	10,388	3,469	57,351	18,076
Total expenses	720,304	592,179	1,256,434	538,517
Waiver of management fees	(28,633)	(96,760)	(475,891)	(154,646)
Expenses assumed by the Adviser	—	—	—	—
Net expenses	691,671	495,419	780,543	383,871
Net investment income (loss)	1,801,320	2,723,510	950,714	(139,822)
Net realized gain (loss) on:				
Investments	(20,884,643)(b)	(54,065,842)	3,168,824	(5,718,579)
In-kind redemptions	566,464	965	—	—
Swap contracts	—	—	652,634	—
Foreign currency transactions and foreign denominated assets and liabilities	12,034	(277,106)	(386,104)	(259,402)
Net realized gain (loss)	(20,306,145)	(54,341,983)	3,435,354	(5,977,981)
Net change in unrealized appreciation (depreciation) on:				
Investments	(11,165,197)(c)	(5,048,420)	(6,189,327)	13,330,656
Swap contracts	—	—	(627,565)	—
	6,229	(841)	(2,554)	(499)

Foreign currency transactions and foreign denominated assets and liabilities				
Net change in unrealized appreciation (depreciation)	(11,158,968)	(5,049,261)	(6,819,446)	13,330,157
Net Increase (Decrease) in Net Assets Resulting from Operations	$(29,663,793)	$(56,667,734)	$(2,433,378)	$7,212,354

(a) Represents consolidated Statement of Operations.
(b) Net of foreign taxes of $5,869
(c) Net of foreign taxes of $55,814

See Notes to Financial Statements

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Egypt Index ETF	Gulf States Index ETF	India Small-Cap Index ETF (a)	Indonesia Index ETF	Indonesia Small-Cap ETF	Israel ETF	Poland ETF
$805,190	$581,374	$2,162,371	$3,296,447	$90,292	$920,895	$682,888
—	—	—	—	—	—	—
6,797	127	—	26,941	—	42,049	50,861
(94,067)	(20,376)	—	(472,980)	(17,927)	(155,722)	(105,137)
717,920	561,125	2,162,371	2,850,408	72,365	807,222	628,612
227,950	73,012	1,199,323	642,414	34,781	247,065	95,360
75,500	47,314	85,796	58,172	76,207	70,610	57,352
1,100	428	7,992	3,290	114	791	408
3,273	2,050	12,185	7,779	1,424	2,603	2,208
13,315	8,597	56,168	20,798	9,541	14,110	10,477
12,082	19,944	16,889	13,524	19,272	8,429	8,468
123,380	217,936	174,361	125,535	18,811	43,914	21,114
4,090	4,256	4,875	4,243	4,962	4,967	4,243
2,274	2,409	4,221	2,372	2,293	2,330	2,360
1,554	8,177	60,923	19,058	6,511	12,955	614
17,353	2,085	48,989	8,724	1,127	1,282	719
7,437	17,181	185,414	14,594	11,036	9,383	8,324
489,308	403,389	1,857,136	920,503	186,079	418,439	211,647
(43,410)	(73,012)	—	(179,427)	(34,781)	(125,619)	(95,360)
—	(185,190)	—	—	(107,738)	—	(1,136)
445,898	145,187	1,857,136	741,076	43,560	292,820	115,151
272,022	415,938	305,235	2,109,332	28,805	514,402	513,461
(11,030,662)	76,116	21,123,401	(13,061,086)	(2,068,850)	(522,507)	(2,685,168)
(400,158)	55,592	(187,652)	(16,233,180)	—	4,735,954	12,242
—	—	—	—	—	—	—
(102,450)	(9,469)	28,173	19,716	(1,117)	(6,455)	(15,481)
(11,533,270)	122,239	20,963,922	(29,274,550)	(2,069,967)	4,206,992	(2,688,407)
(10,316,632)	(2,492,487)	(20,565,970)	(6,848,577)	(1,750,817)	(6,207,424)	(2,849,463)
—	—	—	—	—	—	—
(12,351)	(35)	2,701	(48,776)	(11,018)	(126)	4,754
(10,328,983)	(2,492,522)	(20,563,269)	(6,897,353)	(1,761,835)	(6,207,550)	(2,844,709)
$(21,590,231)	$(1,954,345)	$705,888	$(34,062,571)	$(3,802,997)	$(1,486,156)	$(5,019,655)

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

STATEMENTS OF OPERATIONS

For the Year Ended December 31, 2015 (continued)

	Russia ETF	Russia Small-Cap ETF	Vietnam ETF
Income:			
Dividends	$79,791,735	$1,202,908	$18,396,057
Securities lending income	—	—	87,233
Foreign taxes withheld	(11,592,305)	(169,279)	(91,731)
Total income	68,199,430	1,033,629	18,391,559
Expenses:			
Management fees	9,448,195	227,969	2,326,662
Professional fees	76,567	71,513	87,141
Insurance	30,592	827	8,680
Trustees’ fees and expenses	18,877	3,132	20,851
Reports to shareholders	159,884	15,407	77,059
Indicative optimized portfolio value fee	10,393	17,919	15,479
Custodian fees	3,644,168	175,086	398,451
Registration fees	5,521	4,956	4,243
Transfer agent fees	1,873	2,373	1,976
Fund accounting fees	127,403	3,417	29,595
Interest	115,441	7,915	71,647
Other	21,969	9,570	51,450
Total expenses	13,660,883	540,084	3,093,234
Waiver of management fees	(1,829,680)	(226,692)	—
Net expenses	11,831,203	313,392	3,093,234
Net investment income	56,368,227	720,237	15,298,325
Net realized gain (loss) on:			
Investments – unaffiliated issuers	(333,345,533)	(10,751,786)	(52,447,002)
Investments – affiliated issuers	—	—	(16,127,346)
In-kind redemptions	2,324,464	577,503	(3,173,994)
Foreign currency transactions and foreign denominated assets and liabilities.	(1,531,427)	(11,932)	(1,643,099)
Net realized loss	(332,552,496)	(10,186,215)	(73,391,441)
Net change in unrealized appreciation (depreciation) on:			
Investments	205,749,148	13,784,595	(47,753,164)
Foreign currency transactions and foreign denominated assets and liabilities	72,621	7,606	9,228
Net change in unrealized appreciation (depreciation)	205,821,769	13,792,201	(47,743,936)
Net Increase (Decrease) in Net Assets Resulting from Operations	$(70,362,500)	$4,326,223	$(105,837,052)

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

STATEMENTS OF CHANGES IN NET ASSETS

	Africa Index ETF		Brazil Small-Cap ETF	
	For the Year Ended December 31, 2015	**For the Year Ended December 31, 2014**	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
Operations:				
Net investment income (loss)	$1,801,320	$2,328,557	$2,723,510	$4,439,154
Net realized gain (loss)	(20,306,145)	(3,278,692)	(54,341,983)	(41,738,970)
Net change in unrealized appreciation (depreciation)	(11,158,968)	(14,537,266)	(5,049,261)	(1,203,786)
Net increase (decrease) in net assets resulting from operations	(29,663,793)	(15,487,401)	(56,667,734)	(38,503,602)
Dividends and Distributions to shareholders:				
Dividends from net investment income	(1,309,000)	(2,800,900)	(2,493,750)	(4,460,000)
Distributions from net realized capital gains	—	—	—	—
Total Dividends and Distributions	(1,309,000)	(2,800,900)	(2,493,750)	(4,460,000)
Share transactions:**				
Proceeds from sale of shares	9,067,339	19,098,796	23,401,917	25,922,376
Cost of shares redeemed	(13,973,637)	(13,409,985)	(2,987,160)	(75,838,574)
Increase (Decrease) in net assets resulting from share transactions	(4,906,298)	5,688,811	20,414,757	(49,916,198)
Total increase (decrease) in net assets	(35,879,091)	(12,599,490)	(38,746,727)	(92,879,800)
Net Assets, beginning of year	95,645,249	108,244,739	104,010,923	196,890,723
Net Assets, end of year†	$59,766,158	$95,645,249	$65,264,196	$104,010,923
† Including undistributed (accumulated) net investment income (loss)	$(81,696)	$(1,270,540)	$(217,925)	$(174,576)
** Shares of Common Stock Issued (no par value)				
Shares sold	350,000	600,000	1,500,000	900,000
Shares redeemed	(700,000)	(450,000)	(150,000)	(2,650,000)
Net increase (decrease)	(350,000)	150,000	1,350,000	(1,750,000)

(a) Commencement of operations

See Notes to Financial Statements

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ChinaAMC A-Share ETF		ChinaAMC SME-ChiNext ETF		Egypt Index ETF	
For the Year Ended December 31, 2015	**For the Year Ended December 31, 2014**	**For the Year Ended December 31, 2015**	**For the Period July 23, 2014 (a) through December 31, 2014**	**For the Year Ended December 31, 2015**	**For the Year Ended December 31, 2014**
$950,714	$337,531	$(139,822)	$(36,657)	$272,022	$439,190
3,435,354	(3,578,154)	(5,977,981)	(5,296)	(11,533,270)	1,024,471
(6,819,446)	24,430,248	13,330,157	218,194	(10,328,983)	2,332,810
(2,433,378)	21,189,625	7,212,354	176,241	(21,590,231)	3,796,471
(1,224,350)	—	—	—	(409,034)	(2,275,278)
(2,086,800)	—	—	—	—	—
(3,311,150)	—	—	—	(409,034)	(2,275,278)
64,451,582	57,197,980	108,496,422	21,275,140	17,049,802	45,920,660
(47,928,705)	(13,316,976)	(80,816,904)	—	(18,182,607)	(46,552,491)
16,522,877	43,881,004	27,679,518	21,275,140	(1,132,805)	(631,831)
10,778,349	65,070,629	34,891,872	21,451,381	(23,132,070)	889,362
94,414,466	29,343,837	21,451,381	—	49,460,783	48,571,421
$105,192,815	$94,414,466	$56,343,253	$21,451,381	$26,328,713	$49,460,783
$(174,135)	$(806,036)	$(69,161)	$(4,541)	$(1,147,625)	$(1,359,505)
1,300,000	1,550,000	2,350,000	750,000	300,000	650,000
(1,000,000)	(450,000)	(1,750,000)	—	(450,000)	(700,000)
300,000	1,100,000	600,000	750,000	(150,000)	(50,000)

See Notes to Financial Statements

MARKET VECTORS ETF TRUST

STATEMENTS OF CHANGES IN NET ASSETS

(continued)

	Gulf States Index ETF		**India Small-Cap Index ETF (a)**	
	For the Year Ended December 31, 2015	**For the Year Ended December 31, 2014**	**For the Year Ended December 31, 2015**	**For the Year Ended December 31, 2014**
Operations:				
Net investment income	$415,938	$716,675	$305,235	$2,118,293
Net realized gain (loss)	122,239	162,734	20,963,922	3,671,566
Net change in unrealized appreciation (depreciation)	(2,492,522)	(822,717)	(20,563,269)	51,504,648
Net increase (decrease) in net assets resulting from operations	(1,954,345)	56,692	705,888	57,294,507
Dividends and Distributions to shareholders:				
Dividends from net investment income	(375,200)	(725,200)	(5,350,305)	(2,599,111)
Distributions from net realized capital gains	—	—	—	—
Total Dividends and Distributions	(375,200)	(725,200)	(5,350,305)	(2,599,111)
Share transactions:**				
Proceeds from sale of shares	—	16,014,980	23,988,821	281,663,440
Cost of shares redeemed	(7,514,759)	(12,878,309)	(120,719,322)	(173,965,590)
Increase (Decrease) in net assets resulting from share transactions	(7,514,759)	3,136,671	(96,730,501)	107,697,850
Total increase (decrease) in net assets	(9,844,304)	2,468,163	(101,374,918)	162,393,246
Net Assets, beginning of year	18,719,423	16,251,260	272,745,145	110,351,899
Net Assets, end of year†	$8,875,119	$18,719,423	$171,370,227	$272,745,145
† Including undistributed (accumulated) net investment income (loss)	$(46,623)	$(90,503)	$(65,172)	$(1,282,382)
** Shares of Common Stock Issued (no par value)				
Shares sold	—	500,000	550,000	6,450,000
Shares redeemed	(300,000)	(400,000)	(2,750,000)	(3,850,000)
Net increase (decrease)	(300,000)	100,000	(2,200,000)	2,600,000

(a) Represents consolidated Statement of Changes in Net Assets.

See Notes to Financial Statements

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Indonesia Index ETF		Indonesia Small-Cap ETF		Israel ETF	
For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
$2,109,332	$3,989,651	$28,805	$51,687	$514,402	$458,725
(29,274,550)	(20,341,683)	(2,069,967)	8,378	4,206,992	774,349
(6,897,353)	46,877,567	(1,761,835)	1,123,034	(6,207,550)	(1,384,543)
(34,062,571)	30,525,535	(3,802,997)	1,183,099	(1,486,156)	(151,469)
(2,105,600)	(3,822,800)	(1,500)	(330,000)	(601,600)	(449,600)
—	—	—	—	—	(739,200)
(2,105,600)	(3,822,800)	(1,500)	(330,000)	(601,600)	(1,188,800)
908,259	88,798,696	2,211,704	1,430,451	24,708,761	20,140,403
(63,278,405)	(114,288,780)	—	—	(20,865,169)	(4,501,621)
(62,370,146)	(25,490,084)	2,211,704	1,430,451	3,843,592	15,638,782
(98,538,317)	1,212,651	(1,592,793)	2,283,550	1,755,836	14,298,513
184,831,076	183,618,425	7,541,417	5,257,867	44,334,796	30,036,283
$86,292,759	$184,831,076	$5,948,624	$7,541,417	$46,090,632	$44,334,796
$246,544	$220,179	$(1,117)	$(282,851)	$(80,326)	$(42,419)
50,000	3,500,000	200,000	100,000	750,000	650,000
(2,950,000)	(4,650,000)	—	—	(650,000)	(150,000)
(2,900,000)	(1,150,000)	200,000	100,000	100,000	500,000

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

STATEMENTS OF CHANGES IN NET ASSETS

(continued)

	Poland ETF		**Russia ETF**	
	For the Year Ended December 31, 2015	**For the Year Ended December 31, 2014**	**For the Year Ended December 31, 2015**	**For the Year Ended December 31, 2014**
Operations:				
Net investment income	$513,461	$793,698	$56,368,227	$58,849,943
Net realized gain (loss)	(2,688,407)	(543,670)	(332,552,496)	(258,329,858)
Net change in unrealized appreciation (depreciation)	(2,844,709)	(4,293,368)	205,821,769	(712,413,281)
Net increase (decrease) in net assets resulting from operations	(5,019,655)	(4,043,340)	(70,362,500)	(911,893,196)
Dividends and Distributions to shareholders:				
Dividends from net investment income	(500,250)	(795,000)	(58,387,500)	(62,617,750)
Return of capital	—	—	—	—
Total Dividends and Distributions	(500,250)	(795,000)	(58,387,500)	(62,617,750)
Share transactions:**				
Proceeds from sale of shares	2,819,051	3,211,851	904,381,956	1,844,214,533
Cost of shares redeemed	(915,900)	(10,001,503)	(581,727,621)	(515,479,048)
Increase (Decrease) in net assets resulting from share transactions	1,903,151	(6,789,652)	322,654,335	1,328,735,485
Total increase (decrease) in net assets	(3,616,754)	(11,627,992)	193,904,335	354,224,539
Net Assets, beginning of year	18,885,718	30,513,710	1,541,944,739	1,187,720,200
Net Assets, end of year†	$15,268,964	$18,885,718	$1,735,849,074	$1,541,944,739
† Including undistributed (accumulated) net investment income (loss)	$(2,791)	$(5,835)	$(3,950,704)	$(1,201,149)
** Shares of Common Stock Issued (no par value)				
Shares sold	150,000	150,000	52,350,000	82,850,000
Shares redeemed	(50,000)	(450,000)	(35,800,000)	(22,600,000)
Net increase (decrease)	100,000	(300,000)	16,550,000	60,250,000

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Russia Small-Cap ETF		Vietnam ETF	
For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
$720,237	$1,176,447	$15,298,325	$12,135,409
(10,186,215)	(5,798,385)	(73,391,441)	29,863,578
13,792,201	(30,667,992)	(47,743,936)	(37,226,628)
4,326,223	(35,289,930)	(105,837,052)	4,772,359
(700,327)	(1,048,827)	(14,004,900)	(12,186,983)
—	—	—	(410,017)
(700,327)	(1,048,827)	(14,004,900)	(12,597,000)
1,113,532	73,721,359	193,491,201	205,673,846
(22,920,403)	—	(162,650,857)	(102,250,794)
(21,806,871)	73,721,359	30,840,344	103,423,052
(18,180,975)	37,382,602	(89,001,608)	95,598,411
53,573,289	16,190,687	468,232,680	372,634,269
$35,392,314	$53,573,289	$379,231,072	$468,232,680
$(23,298)	$(93,957)	$(1,184,584)	$(1,681,475)
50,000	2,350,000	10,600,000	9,850,000
(950,000)	—	(9,800,000)	(5,000,000)
(900,000)	2,350,000	800,000	4,850,000

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MARKET VECTORS ETF TRUST

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

	Africa Index ETF For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Net asset value, beginning of year	$26.20	$30.93	$30.77	$26.06	$34.68
Income from investment operations:					
Net investment income	0.50	0.64	0.67	1.05	1.00
Net realized and unrealized gain (loss) on investments	(8.20)	(4.61)	0.32	4.72	(8.65)
Total from investment operations	(7.70)	(3.97)	0.99	5.77	(7.65)
Less:					
Dividends from net investment income	(0.39)	(0.76)	(0.83)	(1.06)	(0.97)
Net asset value, end of year	$18.11	$26.20	$30.93	$30.77	$26.06
Total return (a)	(29.41)%	(12.86)%	3.24 %	22.15 %	(22.06)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$59,766	$95,645	$108,245	$84,627	$63,838
Ratio of gross expenses to average net assets	0.82 %	0.80 %	0.93 %	0.91 %	1.07 %
Ratio of net expenses to average net assets	0.79 %	0.80 %	0.81 %	0.80 %	0.81 %
Ratio of net expenses, excluding interest expense, to average net assets	0.78 %	0.78 %	0.78 %	0.78 %	0.81 %
Ratio of net investment income to average net assets	2.05 %	2.00 %	2.35 %	3.63 %	2.61 %
Portfolio turnover rate	33 %	30 %	86 %	24 %	24 %

	Brazil Small-Cap ETF For the Year Ended December 31,				
	2015	**2014**	**2013**	**2012**	**2011**
Net asset value, beginning of year	$21.23	$29.61	$42.20	$36.35	$57.19
Income from investment operations:					
Net investment income	0.44	0.88	0.54	0.62	1.04
Net realized and unrealized gain (loss) on investments	(10.83)	(8.37)	(12.58)	5.88	(16.75)
Total from investment operations	(10.39)	(7.49)	(12.04)	6.50	(15.71)
Less:					
Dividends from net investment income	(0.40)	(0.89)	(0.55)	(0.62)	(1.12)
Distributions from net realized capital gains	—	—	—	(0.03)	(4.01)
Total dividends and distributions	(0.40)	(0.89)	(0.55)	(0.65)	(5.13)
Net asset value, end of year	$10.44	$21.23	$29.61	$42.20	$36.35
Total return (a)	(48.97)%	(25.19)%	(28.58)%	17.86 %	(27.47)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$65,264	$104,011	$196,891	$552,816	$512,575
Ratio of gross expenses to average net assets	0.72 %	0.66 %	0.64 %	0.64 %	0.62 %

Ratio of net expenses to average net assets	0.60	%	0.60	%	0.60	%	0.60	%	0.62	%
Ratio of net expenses, excluding interest expense, to average net assets	0.59	%	0.59	%	0.59	%	0.59	%	0.62	%
Ratio of net investment income to average net assets	3.29	%	2.99	%	1.11	%	1.42	%	1.82	%
Portfolio turnover rate	57	%	64	%	33	%	76	%	64	%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of year, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the year. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

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FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period:

	ChinaAMC A-Share ETF For the Year Ended December 31,				
	2015	**2014**	**2013**	**2012**	**2011**
Net asset value, beginning of year	$ 46.06	$ 30.89	$ 33.17	$ 30.28	$ 38.81
Income from investment operations:					
Net investment income (loss)	0.45	0.32 (f)	(0.40)	— (e)	(0.27)
Net realized and unrealized gain (loss) on investments	(0.34)	14.85	(1.18)	2.89	(8.26)
Total from investment operations	0.11	15.17	(1.58)	2.89	(8.53)
Less:					
Dividends from net investment income	(0.52)	—	(0.70)	—	—
Distributions from net realized capital gains	(0.89)	—	—	—	—
Total dividends and distributions	(1.41)	—	(0.70)	—	—
Net asset value, end of year	$ 44.76	$ 46.06	$ 30.89	$ 33.17	$ 30.28
Total return (b)	0.22 %	49.11 %	(4.74)%	9.54 %	(21.98)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$105,193	$94,414	$29,344	$33,169	$15,139
Ratio of gross expenses to average net assets	1.20 %	1.69 %	1.14 %	2.21 %	1.71 %
Ratio of net expenses to average net assets	0.75 %	0.72 %	0.72 %	0.72 %	0.72 %
Ratio of net expenses, excluding interest expense, to average net assets	0.72 %	0.72 %	0.72 %	0.72 %	0.72 %
Ratio of net investment income (loss) to average net assets	0.91 %	1.00 %	(0.70)%	(0.69)%	(0.71)%
Portfolio turnover rate	70 %	59 %	0 %	0 %	0 %

	ChinaAMC SME-ChiNext ETF	
	For the Year Ended December 31, 2015	**For the Period July 23, 2014(a) through** December 31, 2014
Net asset value, beginning of period	$ 28.60	$ 24.68
Income from investment operations:		
Net investment loss	(0.10)	(0.05)
Net realized and unrealized gain on investments	13.24	3.97
Total from investment operations	13.14	3.92

Net asset value, end of period	$41.74	$28.60
Total return (b)	45.94 %	15.88 %(d)
Ratios/Supplemental Data		
Net assets, end of period (000's)	$56,343	$21,451
Ratio of gross expenses to average net assets	1.11 %	1.48 %(c)
Ratio of net expenses to average net assets	0.79 %	0.78 %(c)
Ratio of net expenses, excluding interest expense, to average net assets	0.78 %	0.78 %(c)
Ratio of net investment loss to average net assets	(0.29)%	(0.73)%(c)
Portfolio turnover rate	160 %	7 %(d)

(a) Commencement of operations

(b) Total return is calculated assuming an initial investment made at the net asset value at the beginning of period, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

(c) Annualized

(d) Not Annualized

(e) Amount represents less than $0.005 per share

(f) Calculated based upon average shares outstanding

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MARKET VECTORS ETF TRUST

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

	Egypt Index ETF # For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Net asset value, beginning of year	$59.95	$55.51	$51.00	$38.56	$79.20
Income from investment operations:					
Net investment income	0.04	0.53	1.13	3.48	1.40
Net realized and unrealized gain (loss) on investments	(20.37)	6.67	4.42	12.68	(40.88)
Total from investment operations	(20.33)	7.20	5.55	16.16	(39.48)
Less:					
Dividends from net investment income	(0.61)	(2.76)	(1.04)	(3.72)	(1.16)
Net asset value, end of year	$39.01	$59.95	$55.51	$51.00	$38.56
Total return (a)	(33.89)%	12.92%	10.90%	41.94%	(49.84)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$26,329	$49,461	$48,571	$36,325	$36,155
Ratio of gross expenses to average net assets	1.07 %	0.97 %	1.18 %	1.08 %	1.20 %
Ratio of net expenses to average net assets	0.98 %	0.97 %	0.98 %	0.96 %	0.94 %
Ratio of net expenses, excluding interest expense, to average net assets	0.94 %	0.92 %	0.94 %	0.94 %	0.94 %
Ratio of net investment income to average net assets	0.60 %	0.63 %	2.31 %	5.29 %	2.40 %
Portfolio turnover rate	57 %	69 %	78 %	50 %	54 %

	Gulf States Index ETF For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Net asset value, beginning of year	$26.74	$27.09	$20.56	$20.10	$23.30
Income from investment operations:					
Net investment income	0.94	1.04	0.51	0.62	0.80
Net realized and unrealized gain (loss) on investments	(4.55)	(0.35)	6.57	0.45	(3.20)
Total from investment operations	(3.61)	0.69	7.08	1.07	(2.40)
Less:					
Dividends from net investment income	(0.94)	(1.04)	(0.55)	(0.61)	(0.80)
Net asset value, end of year	$22.19	$26.74	$27.09	$20.56	$20.10
Total return (a)	(13.42)%	2.41 %	34.46%	5.30 %	(10.30)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$8,875	$18,719	$16,251	$10,278	$14,070
Ratio of gross expenses to average net assets	2.77 %	2.07 %	2.59 %	3.19 %	1.94 %
Ratio of net expenses to average net assets	1.00 %	0.99 %	0.98 %	0.99 %	0.98 %
Ratio of net expenses, excluding interest expense, to average net assets	0.98 %	0.98 %	0.98 %	0.98 %	0.98 %
Ratio of net investment income to average net assets	2.85 %	2.80 %	2.24 %	2.78 %	2.69 %

Portfolio turnover rate	23	%	77	%	32	%	16	%	29	%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of year, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the year. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

On July 1, 2013, the Fund effected a 1 for 4 reverse share split as described in the Notes to Financial Statements (See Note 10). Per share data has been adjusted to give effect to the share split.

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FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

	India Small-Cap Index ETF* For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Net asset value, beginning of year	$ 44.53	$ 31.31	$ 44.24	$ 35.28	$ 81.00
Income from investment operations:					
Net investment income (loss)	0.06 (b)	0.37	0.25	0.36	0.40
Net realized and unrealized gain (loss) on investments	0.42	13.29	(13.04)	8.64	(45.44)
Total from investment operations	0.48	13.66	(12.79)	9.00	(45.04)
Less:					
Dividends from net investment income	(1.35)	(0.44)	(0.14)	(0.04)	(0.64)
Distributions from net realized capital gains	—	—	—	—	(0.04)
Total dividends and distributions	(1.35)	(0.44)	(0.14)	(0.04)	(0.68)
Net asset value, end of year	$ 43.66	$ 44.53	$ 31.31	$ 44.24	$ 35.28
Total return (a)	1.07 %	43.65 %	(28.91)%	25.54 %	(55.63)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$171,370	$272,745	$110,352	$93,999	$30,881
Ratio of gross expenses to average net assets	0.78 %	0.92 %	1.39 %	1.68 %	1.72 %
Ratio of net expenses to average net assets	0.78 %	0.89 %	0.93 %	0.91 %	0.85 %
Ratio of net expenses, excluding interest expense, to average net assets	0.75 %	0.85 %	0.85 %	0.85 %	0.85 %
Ratio of net investment income to average net assets	0.13 %	0.82 %	0.73 %	0.28 %	0.67 %
Portfolio turnover rate	40 %	120 %	77 %	65 %	76 %

	Indonesia Index ETF # For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Net asset value, beginning of year	$ 24.32	$ 20.98	$ 28.63	$ 28.48	$ 28.87
Income from investment operations:					
Net investment income	0.47	0.53	0.75	0.54	0.15
Net realized and unrealized gain (loss) on investments	(5.98)	3.31	(7.68)	0.12	(0.09)
Total from investment operations	(5.51)	3.84	(6.93)	0.66	0.06
Less:					
Dividends from net investment income	(0.45)	(0.50)	(0.72)	(0.51)	(0.45)
Net asset value, end of year	$ 18.36	$ 24.32	$ 20.98	$ 28.63	$ 28.48
Total return (a)	(22.69)%	18.34 %	(24.20)%	2.31 %	0.22 %
Ratios/Supplemental Data					
Net assets, end of year (000's)	$86,293	$184,831	$183,618	$405,095	$471,304
Ratio of gross expenses to average net assets	0.72 %	0.66 %	0.67 %	0.65 %	0.64 %
Ratio of net expenses to average net assets	0.58 %	0.58 %	0.57 %	0.59 %	0.61 %

Ratio of net expenses, excluding interest expense, to average net assets	0.57	%	0.57	%	0.57	%	0.58	%	0.61	%
Ratio of net investment income to average net assets	1.65	%	1.80	%	1.95	%	1.70	%	1.43	%
Portfolio turnover rate	11	%	12	%	20	%	19	%	18	%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of year, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the year. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

(b) Calculated based upon average shares outstanding

On February 1, 2011, the Fund effected a 3 for 1 share split as described in the Notes to Financial Statements (See Note 10). Per share data has been adjusted to give effect to the share split.

* On July 1, 2013, the Fund effected a 1 for 4 reverse share split as described in the Notes to Financial Statements (See Note 10). Per share data has been adjusted to give effect to the share split.

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MARKET VECTORS ETF TRUST

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For a share outstanding throughout each period:

	Indonesia Small-Cap ETF			
	For the Year Ended December 31,			For the Period March 20, 2012(a) through December 31,
	2015	2014	2013	2012
Net asset value, beginning of period	$13.71	$11.68	$14.72	$19.89
Income from investment operations:				
Net investment income	0.18	0.10	0.16	0.08
Net realized and unrealized gain (loss) on investments	(5.96)	2.53	(3.11)	(4.98)
Total from investment operations	(5.78)	2.63	(2.95)	(4.90)
Less:				
Dividends from net investment income	— (e)	(0.60)	(0.09)	(0.27)
Net asset value, end of period	$7.93	$13.71	$11.68	$14.72
Total return (b)	(42.14)%	22.52%	(20.02)%	(24.65)%(d)
Ratios/Supplemental Data				
Net assets, end of period (000's)	$5,949	$7,541	$5,258	$2,208
Ratio of gross expenses to average net assets	2.68%	2.30%	2.69%	2.71%(c)
Ratio of net expenses to average net assets	0.63%	0.61%	0.61%	0.61%(c)
Ratio of net expenses, excluding interest expense, to average net assets	0.61%	0.61%	0.61%	0.61%(c)
Ratio of net investment income to average net assets	0.41%	0.73%	0.46%	0.48%(c)
Portfolio turnover rate	35%	46%	68%	51%(d)

	Israel ETF		
	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Period June 25, 2013(a) through December 31, 2013
Net asset value, beginning of period	$29.56	$30.04	$25.30
Income from investment operations:			
Net investment income	0.32	0.31	0.10
Net realized and unrealized gain (loss) on investments	(0.69)	(0.05)	4.80

Total from investment operations	(0.37)	0.26	4.90
Less:			
Dividends from net investment income	(0.38)	(0.28)	(0.16)
Distributions from net realized capital gains	—	(0.46)	—
Total dividends and distributions	(0.38)	(0.74)	(0.16)
Net asset value, end of period	$28.81	$29.56	$30.04
Total return (b)	(1.27)%	0.88 %	19.39 %(d)
Ratios/Supplemental Data			
Net assets, end of period (000's)	$46,091	$44,335	$30,036
Ratio of gross expenses to average net assets	0.85 %	0.76 %	0.94 %(c)
Ratio of net expenses to average net assets	0.59 %	0.60 %	0.59 %(c)
Ratio of net expenses, excluding interest expense, to average net assets	0.59 %	0.59 %	0.59 %(c)
Ratio of net investment income to average net assets	1.04 %	1.03 %	0.83 %(c)
Portfolio turnover rate	18 %	17 %	24 %(d)

(a) Commencement of operations

(b) Total return is calculated assuming an initial investment made at the net asset value at the beginning of period, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

(c) Annualized

(d) Not Annualized

(e) Amount represents less than $0.005 per share

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FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

	Poland ETF For the Year Ended December 31, 2015	2014	2013	2012	2011
Net asset value, beginning of year	$ 17.99	$ 22.60	$ 22.25	$ 17.24	$ 27.10
Income from investment operations:					
Net investment income	0.45	0.80	0.74	0.84	0.81
Net realized and unrealized gain (loss) on investments	(4.72)	(4.61)	0.36	4.99	(9.92)
Total from investment operations	(4.27)	(3.81)	1.10	5.83	(9.11)
Less:					
Dividends from net investment income	(0.44)	(0.80)	(0.75)	(0.82)	(0.75)
Net asset value, end of year	$ 13.28	$ 17.99	$ 22.60	$ 22.25	$ 17.24
Total return (a)	(23.85)%	(16.90)%	4.92 %	33.82 %	(33.60)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$15,269	$18,886	$30,514	$32,266	$31,034
Ratio of gross expenses to average net assets	1.11 %	0.99 %	1.07 %	1.03 %	0.84 %
Ratio of net expenses to average net assets	0.60 %	0.60 %	0.61 %	0.61 %	0.61 %
Ratio of net expenses, excluding interest expense, to average net assets	0.60 %	0.60 %	0.61 %	0.60 %	0.61 %
Ratio of net investment income to average net assets	2.69 %	2.91 %	3.31 %	3.79 %	2.61 %
Portfolio turnover rate	30 %	19 %	21 %	20 %	27 %

	Russia ETF For the Year Ended December 31, 2015	2014	2013	2012	2011
Net asset value, beginning of year	$ 15.17	$ 28.69	$ 29.63	$ 26.32	$ 37.47
Income from investment operations:					
Net investment income	0.50	0.59	0.80	0.73	0.59
Net realized and unrealized gain (loss) on investments	(0.46)	(13.45)	(1.00)	3.31	(11.16)
Total from investment operations	0.04	(12.86)	(0.20)	4.04	(10.57)
Less:					
Dividends from net investment income	(0.52)	(0.66)	(0.74)	(0.73)	(0.58)
Net asset value, end of year	$ 14.69	$ 15.17	$ 28.69	$ 29.63	$ 26.32
Total return (a)	0.39 %	(44.95)%	(0.65)%	15.35 %	(28.20)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$1,735,849	$1,541,945	$1,187,720	$1,634,230	$1,557,002
Ratio of gross expenses to average net assets	0.72 %	0.61 %	0.71 %	0.63 %	0.62 %
Ratio of net expenses to average net assets	0.63 %	0.61 %	0.63 %	0.62 %	0.62 %
Ratio of net expenses, excluding interest expense, to average net assets	0.62 %	0.61 %	0.62 %	0.62 %	0.62 %

Ratio of net investment income to average net assets	2.98	%	3.92	%	2.52	%	2.28	%	1.25	%
Portfolio turnover rate	33	%	23	%	27	%	41	%	29	%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of year, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the year. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

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For a share outstanding throughout each period:

	Russia Small-Cap ETF #				
	For the Year Ended December 31,				**For the Period April 13, 2011(a) through December 31,**
	2015	**2014**	**2013**	**2012**	**2011**
Net asset value, beginning of period	$19.60	$42.24	$45.15	$47.58	$74.88
Income from investment operations:					
Net investment income	0.38	0.91	0.30	0.72	0.21
Net realized and unrealized loss on investments	(0.29)	(23.14)	(2.01)	(2.22)	(27.30)
Total from investment operations	0.09	(22.23)	(1.71)	(1.50)	(27.09)
Less:					
Dividends from net investment income	(0.38)	(0.41)	(1.20)	(0.93)	(0.21)
Net asset value, end of period	$19.31	$19.60	$42.24	$45.15	$47.58
Total return (b)	0.48 %	(52.67)%	(3.77)%	(3.17)%	(36.18)%(d)
Ratios/Supplemental Data					
Net assets, end of period (000's)	$35,392	$53,573	$16,191	$8,276	$3,172
Ratio of gross expenses to average net assets	1.19 %	0.95 %	1.87 %	2.21 %	7.02 %(c)
Ratio of net expenses to average net assets	0.69 %	0.68 %	0.67 %	0.71 %	0.67 %(c)
Ratio of net expenses, excluding interest expense, to average net assets	0.67 %	0.67 %	0.67 %	0.67 %	0.67 %(c)
Ratio of net investment income to average net assets	1.58 %	2.42 %	0.59 %	1.63 %	0.52 %(c)
Portfolio turnover rate	30 %	32 %	74 %	67 %	41 %(d)

	Vietnam ETF				
	For the Year Ended December 31,				
	2015	**2014**	**2013**	**2012**	**2011**
Net asset value, beginning of year	$18.84	$18.63	$17.06	$14.76	$25.34
Income from investment operations:					
Net investment income	0.55	0.51	0.59	0.35	0.19
Net realized and unrealized gain (loss) on investments	(4.11)	0.21	1.58	2.32	(10.61)
Total from investment operations	(3.56)	0.72	2.17	2.67	(10.42)
Less:					
Dividends from net investment income	(0.50)	(0.49)	(0.60)	(0.37)	(0.16)
Return of capital	—	(0.02)	—	—	—
Total dividends	(0.50)	(0.51)	(0.60)	(0.37)	(0.16)
Net asset value, end of year	$14.78	$18.84	$18.63	$17.06	$14.76

Total return (b)	(18.87)%	3.95 %	12.75 %	18.07 %	(41.11)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$379,231	$468,233	$372,634	$286,672	$198,525
Ratio of gross expenses to average net assets	0.67 %	0.66 %	0.72 %	0.76 %	0.86 %
Ratio of net expenses to average net assets	0.67 %	0.66 %	0.72 %	0.76 %	0.76 %
Ratio of net expenses, excluding interest expense, to average net assets	0.65 %	0.65 %	0.70 %	0.74 %	0.76 %
Ratio of net investment income to average net assets	3.29 %	2.32 %	2.98 %	2.08 %	1.00 %
Portfolio turnover rate	67 %	67 %	48 %	54 %	43 %

(a) Commencement of operations

(b) Total return is calculated assuming an initial investment made at the net asset value at the beginning of period, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

(c) Annualized

(d) Not Annualized

On July 1, 2013, the Fund effected a 1 for 3 reverse share split as described in the Notes to Financial Statements (See Note 10). Per share data has been adjusted to give effect to the share split.

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

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December 31, 2015

Note 1—Fund Organization—Market Vectors ETF Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Trust was incorporated in Delaware as a statutory trust on March 15, 2001. The Trust operates as a series fund, and as of December 31, 2015, offers fifty-four investment portfolios, each of which represents a separate series of the Trust.

These financial statements relate only to the following investment portfolios: Africa Index ETF, Brazil Small-Cap ETF, ChinaAMC A-Share ETF, ChinaAMC SME-ChiNext ETF, Egypt Index ETF, Gulf States Index ETF, India Small-Cap Index ETF, Indonesia Index ETF, Indonesia Small-Cap ETF, Israel ETF, Poland ETF, Russia ETF, Russia Small-Cap ETF and Vietnam ETF (each a "Fund" and, together, the "Funds"). China Asset Management (Hong Kong) Limited (the "Sub-Adviser") is the sub-adviser to ChinaAMC A-Share ETF and ChinaAMC SME-ChiNext ETF. ChinaAMC A-Share ETF and ChinaAMC SME-ChiNext ETF seek to achieve their investment objective by primarily investing directly in A-shares via the A-share quota granted to the Sub-Adviser. India Small-Cap Index ETF makes its investments through the India Small-Cap Mauritius Fund (the "Subsidiary"), a wholly owned subsidiary organized in the Republic of Mauritius. Each Fund was created to provide investors with the opportunity to purchase a security representing a proportionate undivided interest in a portfolio of securities consisting of substantially all of the common stocks in substantially the same weighting, in an index published by the China Securities Index Co. Ltd., BlueStar Global Investors LLC or Market Vectors Index Solutions GmbH, a wholly owned subsidiary of Van Eck Associates Corporation (the "Adviser").

The Funds' commencement of operations dates and their respective indices are presented below:

Fund	**Commencement of Operations**	**Index**
Africa Index ETF	July 10, 2008	Market Vectors® GDP Africa Index*
Brazil Small-Cap ETF	May 12, 2009	Market Vectors® Brazil Small-Cap Index*
ChinaAMC A-Share ETF	October 13, 2010	CSI 300 Index
ChinaAMC SME-ChiNext ETF	July 23, 2014	SME-ChiNext 100 Index
Egypt Index ETF	February 16, 2010	Market Vectors® Egypt Index*
Gulf States Index ETF	July 22, 2008	Market Vectors® GDP GCC Index*
India Small-Cap Index ETF	August 24, 2010	Market Vectors® India Small-Cap Index*
Indonesia Index ETF	January 15, 2009	Market Vectors® Indonesia Index*
Indonesia Small-Cap ETF	March 20, 2012	Market Vectors® Indonesia Small-Cap Index*
Israel ETF	June 25, 2013	BlueStar Israel Global Index™
Poland ETF	November 24, 2009	Market Vectors® Poland Index*
Russia ETF	April 24, 2007	Market Vectors® Russia Index*
Russia Small-Cap ETF	April 13, 2011	Market Vectors® Russia Small-Cap Index*
Vietnam ETF	August 11, 2009	Market Vectors® Vietnam Index*

* Published by Market Vectors Index Solutions GmbH.

Note 2—Significant Accounting Policies—The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

The Funds are investment companies and are following accounting and reporting requirements of Accounting Standards Codification (“ASC”) 946 Financial Services — Investment Companies.

The following is a summary of significant accounting policies followed by the Funds.

A. **Security Valuation—**The Funds value their investments in securities and other assets and liabilities carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Securities traded on national exchanges or traded on the NASDAQ National Market System are valued at the last sales price as reported at the close of each business day. Securities traded on the NASDAQ Stock Market are valued at the NASDAQ official closing price. Over-the-counter securities not included in the NASDAQ National Market System and listed securities for which no sale was reported are valued at the mean of the bid and ask prices. To the extent these securities are actively traded they are categorized as Level 1 in the fair value hierarchy (described below). Certain foreign securities, whose values may be affected by market direction or events occurring before the Funds’ pricing time (4:00 p.m. Eastern Standard

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MARKET VECTORS ETF TRUST

NOTES TO FINANCIAL STATEMENTS

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Time) but after the last close of the securities' primary market, are fair valued using a pricing service and are categorized as Level 2 in the fair value hierarchy. The pricing service, using methods approved by the Board of Trustees, considers the correlation of the trading patterns of the foreign security to intraday trading in the U.S. markets, based on indices of domestic securities and other appropriate indicators such as prices of relevant ADR's and futures contracts. The Funds may also fair value securities in other situations, such as, when a particular foreign market is closed but the Fund is open. Short-term obligations with more than sixty days remaining to maturity are valued at market value. Short-term obligations with sixty days or less to maturity are valued at amortized cost, which with accrued interest approximates fair value. Money market fund investments are valued at net asset value and are considered to be Level 1 in the fair value hierarchy. Securities for which quotations are not available are stated at fair value as determined by the Pricing Committee of the Adviser. The Pricing Committee provides oversight of the Funds' valuation policies and procedures, which are approved by the Funds' Board of Trustees. Among other things, these procedures allow the Funds to utilize independent pricing services, quotations from securities dealers, and other market sources to determine fair value. The Pricing Committee convenes regularly to review the fair value of financial instruments for which market prices are not readily available. The Pricing Committee employs various methods for calibrating the valuation approaches utilized to determine fair value, including a regular review of key inputs and assumptions, transactional back-testing and disposition analysis.

Certain factors such as economic conditions, political events, market trends, the nature of and duration of any restrictions on disposition, trading in similar securities of the issuer or comparable issuers and other security specific information are used to determine the fair value of these securities. Depending on the relative significance of valuation inputs, these securities may be classified either as Level 2 or Level 3 in the fair value hierarchy. The price which the Funds may realize upon sale of an investment may differ materially from the value presented in the Schedules of Investments.

The Funds utilize various methods to measure the fair value of its investments on a recurring basis which includes a hierarchy that prioritizes inputs to valuation methods used to measure fair value. The fair value hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The transfers between levels of the fair value hierarchy assume the financial instruments were transferred at the beginning of the reporting period. The three levels of the fair value hierarchy are described below:

Level 1 — Quoted prices in active markets for identical securities.

Level 2 — Significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 — Significant unobservable inputs (including each Fund's own assumptions in determining the fair value of investments).

A summary of the inputs, the levels used to value the Funds' investments, and transfers between levels are located in the Schedules of Investments. Additionally, tables that reconcile the valuation of the Funds' Level 3 investments and that present additional information about valuation methodologies and unobservable inputs, if applicable, are located in the Schedules of Investments.

B. **Basis for Consolidation—**The Subsidiary, an Indian exempted company, was incorporated on February 25, 2010 and acts as an investment vehicle for the India Small-Cap Index ETF (the "SCIF") in order to effect certain investments on behalf of the SCIF. The SCIF is the sole shareholder of the Subsidiary, and it is intended that the SCIF will remain the sole shareholder and will continue to control the Subsidiary. The consolidated financial statements of the SCIF include the financial results of its wholly owned subsidiary. All material interfund account balances and transactions have been eliminated in consolidation.

C. **Federal Income Taxes—**It is each Fund's policy to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

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D. **Dividends and Distributions to Shareholders—**Dividends to shareholders from net investment income and distributions from net realized capital gains, if any, are declared and paid annually by each Fund. Income dividends and capital gain distributions are determined in accordance with U.S. income tax regulations, which may differ from such amounts determined in accordance with GAAP.

E. **Currency Translation—**Assets and liabilities denominated in foreign currencies and commitments under foreign currency contracts are translated into U.S. dollars at the closing prices of such currencies each business day. Purchases and sales of investments are translated at the exchange rates prevailing when such investments are acquired or sold. Foreign denominated income and expenses are translated at the exchange rates prevailing when accrued. The portion of realized and unrealized gains and losses on investments that result from fluctuations in foreign currency exchange rates is not separately disclosed in the financial statements. Recognized gains or losses attributable to foreign currency fluctuations on foreign currency denominated assets, other than investments, and liabilities are recorded as net realized gain (loss) on foreign currency transactions and foreign denominated assets and liabilities in the Statements of Operations.

F. **Restricted Securities—**The Funds may invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. Information regarding restricted securities, if any, is included at the end of each Fund’s Schedule of Investments.

G. **Repurchase Agreements—**The Funds may enter into repurchase agreements with financial institutions, deemed to be creditworthy by the Adviser, to generate income from their excess cash balances and to invest securities lending cash collateral. A repurchase agreement is an agreement under which a Fund acquires securities from a seller, subject to resale to the seller at an agreed upon price and date. A Fund, through its custodian/securities lending agent, takes possession of securities collateralizing the repurchase agreement. Pursuant to the terms of the repurchase agreement, such securities must have an aggregate market value greater than or equal to the terms of the repurchase price plus accrued interest at all times. If the value of the underlying securities falls below the value of the repurchase price plus accrued interest, the Funds will require the seller to deposit additional collateral by the next business day. If the request for additional collateral is not met, or the seller defaults on its repurchase obligation, the Funds maintain their right to sell the underlying securities at market value and may claim any resulting loss against the seller. Repurchase agreements held as of December 31, 2015 are reflected in the Schedules of Investments.

H. **Use of Derivative Instruments—**The Funds may make investments in derivative instruments, including, but not limited to, options, futures, swaps and other derivatives relating to foreign currency transactions. A derivative is an instrument whose value is derived from underlying assets, indices, reference rates or a combination of these factors. Derivative instruments may be privately negotiated contracts (often referred to as over-the-counter (“OTC”) derivatives) or they may be listed and traded on an exchange. Derivative contracts may involve future commitments to purchase or sell financial instruments at specified terms on a specified date, or to exchange interest payment streams or currencies based on a notional or contractual amount. Derivative instruments may involve a high degree of financial risk. The use of derivative instruments also involves the risk of loss if the Adviser is incorrect in its expectation of the timing or level of fluctuations in securities prices, interest rates or currency prices. Investments in derivative instruments also include the risk of default by the counterparty, the risk that the investment may not be liquid and the risk that a small movement in the price of the underlying security or benchmark may result in a disproportionately large movement, unfavorable or favorable, in the price of the derivative instruments. GAAP requires enhanced disclosures about the Fund’s derivative instruments and hedging activities. Details of this disclosure are found below as well as in the Schedule of Investments.

Swap Agreements—The Funds may enter into swap transactions to gain investment exposure for total return or for hedging purposes. Risks may arise as a result of the failure of the counterparty to the swap contract to comply with the terms of the swap contract. The loss incurred by the failure of a counterparty is generally limited to the net payment to be received by the Funds and/or the termination value at the end of the contract. Therefore, the Funds consider the creditworthiness of each counterparty to a contract in evaluating potential credit risk. Additionally, risks may arise from unanticipated movements in interest rates or in the value of the underlying reference asset or index. Entering into these agreements involves, to varying degrees, market risk, liquidity risk

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NOTES TO FINANCIAL STATEMENTS

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and elements of credit, legal and documentation risk in excess of amounts recognized in the Statements of Assets and Liabilities. The Funds may pay or receive cash as collateral on these contracts which may be recorded as an asset and/or liability. The Funds must set aside liquid assets, or engage in other appropriate measures, to cover their obligations under these contracts. Swap contracts are marked to market daily and the change in value, if any, is recorded as unrealized appreciation or depreciation. Upfront payments, if any, made and/or received by the Funds are recorded as an asset and/or liability and realized gains or losses are recognized over the contract's term/event. Periodic payments received or made on swap contracts are recorded as realized gains or losses. Gains or losses are realized upon termination of a swap contract and are recorded in the Statements of Operations. The Funds, other than ChinaAMC A-Share ETF, held no swap contracts during the year ended December 31, 2015. ChinaAMC A-Share ETF invests in the following type of swap:

A total return swap is an agreement that gives a Fund the right to receive the appreciation in the value of a specified security index or other instrument in return for a fee paid to the counterparty, which will typically be an agreed upon interest rate. If the underlying asset declines in value over the term of the swap, the Fund may also be required to pay the dollar value of that decline to the counterparty. During the year ended December 31, 2015, the average monthly notional amount of the total return swap contracts in ChinaAMC A-Share ETF was $2,716,806. Outstanding total return swap contracts for the ChinaAMC A-Share ETF held at December 31, 2015 are reflected in the Schedule of Investments.

At December 31, 2015, ChinaAMC A-Share ETF held the following derivatives:

	Asset Derivatives Equity Risk
Swap contracts, at value[1]	$95,211

[1] Statements of Assets and Liabilities location: Swap contracts, at value

For ChinaAMC A-Share ETF, the impact of transactions in derivative instruments, during the year ended December 31, 2015, was as follows:

	Equity Risk
Realized gain(loss):	
Swap contracts[2]	$652,634

Net change in unrealized appreciation (depreciation):	
Swap contracts[3]	(627,565)

[2] Statements of Operations location: Net realized gain (loss) on swap contracts
[3] Statements of Operations location: Net change in unrealized appreciation (depreciation) on swap contracts

I. **Offsetting Assets and Liabilities—**In the ordinary course of business, the Funds enter into transactions subject to enforceable master netting or other similar agreements. Generally, the right of setoff in those agreements allows the Funds to set off any exposure to a specific counterparty with any collateral received or delivered to that counterparty based on the terms of the agreements. The Funds may pledge or receive cash and/or securities as collateral for derivative instruments, securities lending and repurchase agreements. For financial reporting purposes, the Funds present securities lending and repurchase agreement assets and liabilities on a gross basis in the Statements of Assets and Liabilities. Collateral held at December 31, 2015 is presented in the Schedules of Investments. Refer to related disclosure in Note 2G (Repurchase Agreements) and Note 9 (Securities Lending).

The table below presents both gross and net information about the derivative instruments, eligible for offset in the Statements of Assets and Liabilities, subject to master netting or other similar agreements, as well as financial collateral received or pledged (including cash collateral and margin) as of December 31, 2015. Collateral is disclosed up to 100% of the net amount of unrealized gain/loss or market value of the respective financial instruments. In general, collateral received or pledged exceeds the net amount of the unrealized gain/loss or market value of financial instruments. Refer to the Schedules of Investments and Statements of Assets and Liabilities for collateral received or pledged as of December 31, 2015.

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Fund	**Description**	**Gross Amount of Recognized Assets**	**Gross Amount Offset in the Statements of Assets and Liabilities**	**Net Amount of Assets Presented in the Statements of Assets and Liabilities**	**Financial Instruments and Cash Collateral Received***	**Net Amount**
ChinaAMC A-Share ETF	Swap contracts, at value	$95,211	$—	$95,211	$—	$95,211

*Gross amounts not offset in the Statements of Assets and Liabilities

J. **Other—**Security transactions are accounted for on trade date. Transactions in certain securities may take longer than the customary settlement cycle to be completed. The counterparty is required to collateralize such trades with cash in excess of the market value of the transaction, which is held at the custodian and marked to market daily. Realized gains and losses are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date except that certain dividends from foreign securities are recognized upon notification of the ex-dividend date/rate. Interest income, including amortization of premiums and discounts, is accrued as earned.

In the normal course of business, the Funds enter into contracts that contain a variety of general indemnifications. The Funds' maximum exposure under these agreements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Adviser believes the risk of loss under these arrangements to be remote.

Note 3—Investment Management and Other Agreements—The Adviser is the investment adviser to the Funds. The Adviser receives a management fee, calculated daily and payable monthly based on an annual rate of 0.50% of each Fund's average daily net assets. The Adviser has agreed, at least until May 1, 2016, to voluntarily waive or limit its fees and to assume as its own expense certain expenses otherwise payable by the Funds so that each Fund's total annual operating expenses does not exceed the expense limitation (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) listed in the table below.

The current expense limitation and the amounts waived/assumed by the Adviser for the year ended December 31, 2015 are as follows:

Fund	Expense Limitation	Waiver of Management Fees	Expenses Assumed by the Adviser
Africa Index ETF	0.78 %	$28,633	$—
Brazil Small-Cap ETF	0.59	96,760	—

ChinaAMC A-Share ETF*	0.72	475,891	—
ChinaAMC SME-ChiNext ETF*	0.78	154,646	—
Egypt Index ETF	0.94	43,410	—
Gulf States Index ETF	0.98	73,012	185,190
India Small-Cap Index ETF	0.85	—	—
Indonesia Index ETF	0.57	179,427	—
Indonesia Small-Cap ETF	0.61	34,781	107,738
Israel ETF	0.59	125,619	—
Poland ETF	0.60	95,360	1,136
Russia ETF	0.62	1,829,680	—
Russia Small-Cap ETF	0.67	226,692	—
Vietnam ETF	0.76	—	—

* The Adviser paid sub-advisory fees directly to the Sub-Adviser.

In addition, Van Eck Securities Corporation, an affiliate of the Adviser, acts as the Funds’ distributor (“the Distributor”). Certain officers and a Trustee of the Trust are officers, directors or stockholders of the Adviser and Distributor.

Note 4—Investments—For the year ended December 31, 2015, the cost of purchases and proceeds from sales of investments other than U.S. government obligations and short-term obligations (excluding in-kind transactions described in Note 6) were as follows:

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MARKET VECTORS ETF TRUST

NOTES TO FINANCIAL STATEMENTS

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Fund	Cost of Investments Purchased	Proceeds from Investments Sold
Africa Index ETF	$29,009,062	$28,850,798
Brazil Small-Cap ETF	66,606,070	47,090,401
ChinaAMC A-Share ETF	87,340,649	73,103,428
ChinaAMC SME-ChiNext ETF	102,246,085	73,752,090
Egypt Index ETF	25,432,325	25,460,749
Gulf States Index ETF	3,300,410	10,758,104
India Small-Cap Index ETF	95,024,494	195,202,145
Indonesia Index ETF	14,130,241	13,950,815
Indonesia Small-Cap ETF	2,511,294	2,422,066
Israel ETF	8,894,202	8,994,797
Poland ETF	5,640,100	5,653,947
Russia ETF	633,151,908	616,245,202
Russia Small-Cap ETF	13,530,356	21,764,035
Vietnam ETF	333,529,429	308,033,274

Note 5—Income Taxes—As of December 31, 2015, for Federal income tax purposes, the identified cost of investments owned, net unrealized appreciation (depreciation), gross unrealized appreciation, and gross unrealized depreciation of investments were as follows:

Fund	Cost of Investments	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
Africa Index ETF	$77,939,006	$5,827,271	$(22,693,843)	$(16,866,572)
Brazil Small-Cap ETF	119,296,432	2,329,948	(56,609,147)	(54,279,199)
ChinaAMC A-Share ETF	88,528,067	18,535,543	(4,752,065)	13,783,478
ChinaAMC SME-ChiNext ETF	45,175,866	13,990,194	(2,154,129)	11,836,065
Egypt Index ETF	31,763,087	4,787,562	(9,965,749)	(5,178,187)
Gulf States Index ETF	8,943,363	2,158,718	(2,240,509)	(81,791)
India Small-Cap Index ETF	152,414,602	44,334,605	(25,545,218)	18,789,387
Indonesia Index ETF	132,325,224	1,670,931	(47,002,163)	(45,331,232)
Indonesia Small-Cap ETF	8,792,670	119,809	(2,953,872)	(2,834,063)
Israel ETF	54,670,519	3,548,879	(8,087,005)	(4,538,126)
Poland ETF	26,537,361	128,310	(8,811,380)	(8,683,070)

Russia ETF	2,489,621,683	21,885,785	(742,910,295)	(721,024,510)
Russia Small-Cap ETF	54,272,944	2,411,267	(21,323,635)	(18,912,368)
Vietnam ETF	459,458,633	42,860,988	(122,305,139)	(79,444,151)

At December 31, 2015, the components of accumulated earnings (deficit) on a tax basis, for each Fund, were as follows:

Fund	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Accumulated Capital Losses	Qualified Late-Year Losses	Other Temporary Difference	Unrealized Appreciation (Depreciation)	Total
Africa Index ETF	$118,652	$—	$(43,335,100)	$—	$(6,674)	$(16,915,671)	$(60,138,793)
Brazil Small-Cap ETF	—	—	(159,660,312)	(43,820)	(25,084)	(54,285,382)	(214,014,598)
ChinaAMC A-Share ETF	59,595	584,046	—	—	(2,285)	13,782,369	14,423,725
ChinaAMC SME-ChiNext ETF	—	—	(4,012,695)	(69,016)	(144)	11,835,577	7,753,722
Egypt Index ETF	—	—	(26,176,673)	(46,168)	(2,920)	(5,188,298)	(31,414,059)
Gulf States Index ETF	—	—	(5,525,254)	(7,929)	(1,077)	(81,825)	(5,616,085)
India Small-Cap Index ETF	78,673	—	(45,767,053)	—	(6,397)	18,792,630	(26,902,147)
Indonesia Index ETF	266,966	—	(90,404,910)	—	(20,422)	(45,482,062)	(135,640,428)
Indonesia Small-Cap ETF	—	—	(3,451,202)	—	(320)	(2,845,271)	(6,296,793)
Israel ETF	—	—	—	(887,831)	(1,321)	(4,538,148)	(5,427,300)
Poland ETF	—	—	(14,842,247)	(782)	(2,009)	(8,685,495)	(23,530,533)
Russia ETF	—	—	(1,577,446,095)	(3,573,810)	(99,316)	(721,036,516)	(2,302,155,737)
Russia Small-Cap ETF	17,083	—	(18,064,078)	—	(1,306)	(18,914,424)	(36,962,725)
Vietnam ETF	—	—	(160,568,515)	(173,951)	(23,774)	(79,435,011)	(240,201,251)

The tax character of dividends paid to shareholders during the years ended December 31, 2015 and December 31, 2014 was as follows:

Fund	2015 Dividends Ordinary Income		2015 Dividends Long-Term Capital Gain	2014 Dividends Ordinary Income		2014 Dividends Return of Capital
Africa Index ETF	$1,309,000		$—	$2,800,900		$—
Brazil Small-Cap ETF	2,493,750		—	4,460,000		—
ChinaAMC A-Share ETF	2,986,850	*	324,300	—		—
Egypt Index ETF	409,034		—	2,275,278		—
Gulf States Index ETF	375,200		—	725,200		—
India Small-Cap Index ETF	5,350,305		—	2,599,111		—
Indonesia Index ETF	2,105,600		—	3,822,800		—
Indonesia Small-Cap ETF	1,500		—	330,000		—
Israel ETF	601,600		—	1,188,800	*	—
Poland ETF	500,250		—	795,000		—
Russia ETF	58,387,500		—	62,617,750		—
Russia Small-Cap ETF	700,327		—	1,048,827		—
Vietnam ETF	14,004,900		—	12,186,983		410,017

* Includes short-term capital gains

Qualified late-year losses incurred after October 31, 2015 and within the taxable year, are deemed to arise on the first day of the Funds' next taxable year. For the year ended December 31, 2015, the Funds' intend to defer to January 1, 2016 for federal tax purposes qualified late-year losses as follows:

Fund	Late-Year Ordinary Losses	Post-October Capital Losses
Brazil Small-Cap ETF	$ 43,820	$ —
ChinaAMC SME-ChiNext ETF	69,016	—
Egypt Index ETF	46,168	—
Gulf States Index ETF	7,929	—
Israel ETF	39,118	848,713
Poland ETF	782	—
Russia ETF	3,573,810	—
Vietnam ETF	173,951	—

At December 31, 2015, the Funds had capital loss carryforwards available to offset future capital gains, as follows:

Fund	Post-Effective-No Expiration Short-Term Capital Losses	Post-Effective-No Expiration Long-Term Capital Losses	Amount Expiring in the Year Ended December 31, 2018	2017	2016
Africa Index ETF	$ 8,909,786	$ 32,214,885	$ 1,095,985	$ 951,177	$ 163,267
Brazil Small-Cap ETF	32,427,681	127,232,631	—	—	—
ChinaAMC SME-ChiNext ETF	4,012,695	—	—	—	—
Egypt Index ETF	11,516,837	14,531,436	128,400	—	—
Gulf States Index ETF	470,171	2,979,697	835,393	1,233,252	6,741
India Small-Cap Index EF	34,968,513	10,798,540	—	—	—
Indonesia Index ETF	36,806,410	50,752,630	2,845,870	—	—
Indonesia Small-Cap ETF	1,898,550	1,552,652	—	—	—
Poland ETF	2,793,007	11,877,914	171,326	—	—
Russia ETF	230,703,184	855,873,990	121,306,708	349,754,000	19,808,213
Russia Small-Cap ETF	8,070,552	9,993,526	—	—	—
Vietnam ETF	43,934,949	114,773,367	1,860,199	—	—

During the year ended December 31, 2015, the following Funds utilized accumulated capital loss carryforwards: ChinaAMC A-Share ETF utilized $312,686; India Small-Cap Index ETF utilized $9,353,236.

During the year ended December 31, 2015, Russia ETF had $1,049,748 of its accumulated capital loss carryforwards expire.

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MARKET VECTORS ETF TRUST

NOTES TO FINANCIAL STATEMENTS

(continued)

During the year ended December 31, 2015, as a result of permanent book to tax differences, primarily due to investments in Passive Foreign Investment Companies, foreign currency gains and losses, net operating losses, expiration of capital loss carryforwards, deemed distributions on shareholder redemptions and tax treatment of in-kind redemptions, the Funds' incurred differences that affected undistributed (accumulated) net investment income (loss), accumulated net realized gain (loss) on investments and aggregate paid in capital by the amounts in the table below. Net assets were not affected by these reclassifications.

Fund	Increase (Decrease) in Accumulated Net Investment Income/Loss	**Increase (Decrease) in Accumulated Net Realized Gain/Loss**	**Increase (Decrease) in Aggregate Paid in Capital**
Africa Index ETF	$696,524	$(999,795)	$303,271
Brazil Small-Cap ETF	(273,109)	307,225	(34,116)
ChinaAMC A-Share ETF	905,537	(1,758,476)	852,939
ChinaAMC SME-ChiNext ETF	75,202	259,653	(334,855)
Egypt Index ETF	348,892	101,100	(449,992)
Gulf States Index ETF	3,142	(56,824)	53,682
India Small-Cap Index EF	6,262,280	(6,073,829)	(188,451)
Indonesia Index ETF	22,633	16,280,172	(16,302,805)
Indonesia Small-Cap ETF	254,429	1,117	(255,546)
Israel ETF	49,291	(4,908,558)	4,859,267
Poland ETF	(10,167)	31,020	(20,853)
Russia ETF	(730,282)	7,194,886	(6,464,604)
Russia Small-Cap ETF	50,749	(449,651)	398,902
Vietnam ETF	(796,534)	5,543,194	(4,746,660)

The Funds recognize the tax benefits of uncertain tax positions only where the position is "more-likely-than-not" to be sustained assuming examination by applicable tax authorities. Management has analyzed the Funds' tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on return filings for all open tax years. The Funds do not have exposure for additional years that might still be open in certain foreign jurisdictions. Therefore, no provision for income tax is required in the Funds' financial statements. However, the Funds are subject to foreign taxes on the appreciation in value of certain investments. The Funds provide for such taxes on both realized and unrealized appreciation.

Uncertainties in the Chinese tax rules governing taxation of income and gains from investments in A-Shares could result in unexpected tax liabilities for the ChinaAMC A-Share ETF and ChinaAMC SME-ChiNext ETF. China generally imposes withholding tax at a rate of 10% on dividends and interest derived by Qualified Foreign Institutional Investors (“QFII”) from issuers resident in China. China also imposes withholding tax at a rate of 10% on capital gains derived by nonresident enterprises from investments in an issuer resident in China. Effective November 17, 2014, Qualified Foreign institutional investors (QFIIs) and Renminbi Foreign institutional investors (RQFIIs), which includes these Funds, are exempted temporarily from capital gains tax for a period of three years.

The Funds recognize interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statements of Operations. During the year ended December 31, 2015, the Funds did not incur any interest or penalties.

The Indian Finance Minister announced the introduction of a general anti-avoidance rule (“GAAR”) in the Indian tax law in the 2012/2013 budget. GAAR would be applicable where the main purpose of an arrangement is tax avoidance and would empower Indian tax authorities to declare such arrangement as an impermissible avoidance arrangement. Presently, GAAR is expected to become effective April 1, 2017. A special committee was constituted by the Indian Revenue authorities to provide clarity and guidance on the application and implementation of GAAR and have submitted proposed recommendations. As the rules and guidelines have not yet been approved by the Indian Parliament, the Adviser cannot assess whether the India Small-Cap Index ETF, investing through its Mauritius Subsidiary, will fall within the scope of the GAAR provision.

Note 6—Capital Share Transactions—As of December 31, 2015, there were an unlimited number of capital shares of beneficial interest authorized by the Trust with no par value. Shares are issued and redeemed by the Funds only in Creation Units, consisting of 50,000 shares, or multiples thereof. The consideration for the purchase or redemption of Creation Units of the Funds generally consists of the in-kind contribution or distribution of securities constituting the

Funds' underlying index plus a small amount of cash. For the year ended December 31, 2015, the Funds had in-kind contributions and redemptions as follows:

Fund	In-Kind Contributions	In-Kind Redemptions
Africa Index ETF	$5,417,121	$8,105,185
Brazil Small-Cap ETF	1,161,842	124,136
Egypt Index ETF	4,368,766	5,550,396
Gulf States Index ETF	—	210,167
India Small-Cap Index ETF	274,929	1,311,335
Indonesia Index ETF	907,900	63,238,643
Indonesia Small-Cap ETF	2,212,226	—
Israel ETF	24,702,315	20,861,875
Poland ETF	2,819,232	914,542
Russia ETF	814,242,064	522,435,895
Russia Small-Cap ETF	717,792	14,773,619
Vietnam ETF	33,790,110	27,199,434

The in-kind contributions and in-kind redemptions in this table represent the accumulation of each Fund's daily net shareholder transactions including rebalancing activity, while the Statements of Changes in Net Assets reflect shareholder transactions including any cash component of the transactions.

Note 7—Concentration of Risk—The investment objective of each Fund is to seek investment results that correspond generally to the price and yield performance, before fees and expenses, of its underlying index, as indicated in the name of each Fund. The Adviser uses a "passive" or index approach to achieve each Fund's investment objective by investing in a portfolio of securities that generally replicates the Funds' index. Each of the Funds is classified as a non-diversified fund under the 1940 Act. Non-diversified funds generally hold securities of fewer issuers than diversified funds and may be more susceptible to the risks associated with these particular issuers, or to a single economic, political or regulatory occurrence affecting these issuers. The Funds may purchase securities on foreign exchanges. Securities of foreign issuers involve special risks and considerations not typically associated with investing in U.S. issuers. These risks include devaluation of currencies, currency controls, less reliable information about issuers, different securities transaction clearance and settlement practices, future adverse political and economic developments and local/regional conflicts. These risks are heightened for investments in emerging market countries. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of comparable U.S. issuers.

As a result of recent events involving Ukraine and the Russian Federation, the United States and the European Union have imposed sanctions on certain Russian individuals and companies. These sanctions do not currently impact the Funds. Additional economic sanctions may be imposed or other actions may be taken that may adversely affect the value and liquidity of the Russian-related issuers' held by Russia ETF and Russia Small-Cap ETF.

Should the Chinese government impose restrictions on the ability of ChinaAMC A-Share ETF and ChinaAMC SME-ChiNext ETF to repatriate funds associated with direct investment in A-Shares, the Funds may be unable to satisfy distribution requirements applicable to regulated investment companies (“RICs”) under the Internal Revenue Code of 1986, as amended, and the Funds may therefore be subject to Fund-level U.S. federal taxes.

At December 31, 2015, the Adviser owned approximately 4.3% of ChinaAMC A-Share ETF and 7.4% of ChinaAMC SME-ChiNext ETF.

During the year ended December 31, 2015, Vietnam ETF paid $301 in commissions to Saigon Securities Inc. while being an affiliated broker of the Adviser.

Note 8—Trustee Deferred Compensation Plan—The Trust has a Deferred Compensation Plan (the “Plan”) for Trustees under which the Trustees can elect to defer receipt of their trustee fees until retirement, disability or termination from the Board of Trustees. The fees otherwise payable to the participating Trustees are deemed invested in shares of the Funds as directed by the Trustees.

The expense for the Plan is included in “Trustees’ fees and expenses” in the Statements of Operations. The liability for the Plan is shown as “Deferred Trustee fees” in the Statements of Assets and Liabilities.

MARKET VECTORS ETF TRUST

NOTES TO FINANCIAL STATEMENTS

(continued)

Note 9—Securities Lending—To generate additional income, each of the Funds may lend its securities pursuant to a securities lending agreement with The Bank of New York Mellon, the securities lending agent and also the Funds' custodian. Each Fund may lend up to 33% of its investments requiring that the loan be continuously collateralized by cash, U.S. government or U.S. government agency securities, shares of an investment trust or mutual fund, or any combination of cash and such securities at all times equal to at least 102% (105% for foreign securities) of the market value plus accrued interest on the securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled on the next business day. During the term of the loan, the Funds will continue to receive any dividends, interest or amounts equivalent thereto, on the securities loaned while receiving a fee from the borrower and/or earning interest on the investment of the cash collateral. Such fees and interest are shared with the securities lending agent under the terms of the securities lending agreement. The Funds may pay reasonable finders', administrative and custodial fees in connection with a loan of its securities. Securities lending income is disclosed as such in the Statements of Operations. The collateral for securities loaned is recognized in the Schedules of Investments and the Statements of Assets and Liabilities. The cash collateral is maintained on the Funds' behalf by the lending agent and is invested in repurchase agreements collateralized by obligations of the U.S. Treasury and/or Government Agencies. Loans are subject to termination at the option of the borrower or the Funds. Upon termination of the loan, the borrower will return to the lender securities identical to the securities loaned. The Funds bear the risk of delay in recovery of, or even loss of rights in, the securities loaned should the borrower of the securities fail financially. The value of loaned securities and related collateral outstanding at December 31, 2015 are presented on a gross basis in the Schedules of Investments and Statements of Assets and Liabilities.

Effective May 1, 2015, the Funds adopted new accounting guidance under Accounting Standards Update No. 2014-11, Transfers and Servicing (Topic 860) *Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosure* which requires expanded disclosures related to financial assets pledged in secured financing transactions, such as securities lending, and the related contractual maturity terms of these secured transactions. Accordingly, the following table presents repurchase agreements held as collateral by type of security on loan pledged as of December 31, 2015:

	Gross Amount of Recognized Liabilities for Securities Loaned in the Statements of Assets and

Fund	Liabilities* Equity Securities
Africa Index ETF	$1,397,363
Egypt Index ETF	272,447
Indonesia Index ETF	727,316
Israel ETF	4,118,149
Poland ETF	2,549,644
Vietnam ETF	1,244,492

*Remaining contractual maturity of the agreements: overnight and continuous

Note 10—Share Split—On January 19, 2011, the Adviser announced the Board of Trustees approved a 3 for 1 share split of the Indonesia Index ETF. This split took place for shareholders of record as of the close of business on January 28, 2011 and was payable on January 31, 2011. Fund shares began trading on the split adjusted NAV on February 1, 2011. The Financial Highlights prior to February 1, 2011 for the Fund have been adjusted to reflect the 3 for 1 share split.

On July 1, 2013, the Board of Trustees of the Trust approved a 1 for 3 reverse share split for Russia Small-Cap ETF, and 1 for 4 reverse share splits for Egypt Index ETF and India Small-Cap Index ETF. Fund shares began trading on the split adjusted NAV on July 1, 2013. The Financial Highlights prior to July 1, 2013 for the Funds have been adjusted to reflect these reverse share splits.

Note 11—Bank Line of Credit—The Funds may participate in a $200 million committed credit facility (the “Facility”) to be utilized for temporary financing until the settlement of sales or purchases of portfolio securities, the repurchase or redemption of shares of the Funds at the request of the shareholders and other temporary or emergency purposes. The Funds have agreed to pay commitment fees, pro rata, based on the unused but available balance. Interest is charged to the Funds at rates based on prevailing market rates in effect at the time of borrowings. During the year ended December 31, 2015, the following Funds borrowed under this Facility:

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Fund	Days Outstanding	Average Daily Loan Balance	Average Interest Rate	Outstanding Loan Balance as of December 31, 2015
Africa Index ETF	88	$1,094,724	1.53 %	$168,133
Brazil Small-Cap ETF	210	712,784	1.54	295,433
ChinaAMC A-Share ETF	147	4,662,985	1.53	—
ChinaAMC SME-ChiNext ETF	70	1,526,520	1.57	95,330
Egypt Index ETF	198	1,677,494	1.54	1,268,856
Gulf States Index ETF	198	152,046	1.53	—
India Small-Cap Index ETF	213	3,146,363	1.54	1,989,634
Indonesia Index ETF	355	543,847	1.53	439,254
Indonesia Small-Cap ETF	91	93,483	1.55	—
Israel ETF	113	253,988	1.54	—
Poland ETF	82	125,398	1.53	—
Russia ETF	222	11,815,471	1.53	35,048,339
Russia Small-Cap ETF	313	528,017	1.52	—
Vietnam ETF	192	7,820,812	1.55	4,071,689

Note 12—Custodian Fees—The Funds have entered into an expense offset agreement with the custodian wherein they receive a credit toward the reduction of custodian fees whenever there are uninvested cash balances. The Funds could have invested their cash balances elsewhere if they had not agreed to a reduction in fees under the expense offset agreement with the custodian. For the year ended December 31, 2015, there were no offsets to custodian fees.

Note 13—Subsequent Event Review—The Funds have evaluated subsequent events and transactions for potential recognition or disclosure through the date the financial statements were issued.

MARKET VECTORS ETF TRUST

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Trustees and Shareholders of Market Vectors ETF Trust

We have audited the accompanying statements of assets and liabilities (consolidated as it relates to India Small-Cap Index ETF), including the schedules of investments (consolidated as it relates to India Small-Cap Index ETF), of Africa Index ETF, Brazil Small-Cap ETF, China AMC A-Share ETF, China AMC SME-ChiNext ETF, Egypt Index ETF, Gulf States Index ETF, India Small-Cap Index ETF, Indonesia Index ETF, Indonesia Small-Cap ETF, Israel ETF, Poland ETF, Russia ETF, Russia Small-Cap ETF, and Vietnam ETF (fourteen of the series constituting Market Vectors ETF Trust) (the “Funds”) as of December 31, 2015, and the related statements of operations (consolidated as it relates to India Small-Cap Index ETF), the statements of changes in net assets (consolidated as it relates to India Small-Cap Index ETF) and the financial highlights for the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds’ management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds’ internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2015, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position (consolidated as it relates to India Small-Cap Index ETF) of Africa Index ETF, Brazil Small-Cap ETF, China AMC A-Share ETF, China AMC SME-ChiNext ETF, Egypt Index ETF, Gulf States Index ETF, India Small-Cap Index ETF, Indonesia Index ETF, Indonesia Small-Cap ETF, Israel ETF, Poland ETF, Russia ETF, Russia Small-Cap ETF, and Vietnam ETF (fourteen of the series constituting Market Vectors ETF Trust) at December 31, 2015, the results of their operations (consolidated as it relates to India Small-Cap Index ETF), the changes in their net assets (consolidated as it relates to India Small-Cap Index ETF) and the financial highlights for the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

New York, New York
February 24, 2016

TAX INFORMATION

(unaudited)

The Funds listed below intend to pass through foreign tax credits in the maximum amounts shown. The gross foreign source income earned during 2015 by the Funds is shown below.

Fund	Foreign Tax Credits	Gross Foreign Source Income
Africa Index ETF	$234,398	$2,759,415
ChinaAMC A-Share ETF	215,461	1,869,609
Egypt Index ETF	60,973	806,780
Gulf States Index ETF	20,376	599,150
Indonesia Index ETF	448,792	3,296,396
Indonesia Small-Cap ETF	13,343	90,272
Israel ETF	148,376	897,499
Poland ETF	36,824	682,929
Russia ETF	12,239,377	79,618,606
Russia Small-Cap ETF	120,772	1,116,589
Vietnam ETF	79,931	18,399,320

Corporate Dividends Received Deduction

The Funds listed below had the following percentage of ordinary income dividends paid that qualified for the Corporate Dividends Received Deduction in 2015.

Israel ETF	3.77 %
Russia ETF	0.29 %
Russia Small-Cap ETF	12.14%

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MARKET VECTORS ETF TRUST

BOARD OF TRUSTEES AND OFFICERS

December 31, 2015 (unaudited)

Name, Address[1] and Year of Birth	Position(s) Held with the Trust	Term of Office[2] and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex[3] Overseen	Other Directorships Held By Trustee During Past Five Years
Independent Trustees:					
David H. Chow, 1957*†	Chairman Trustee	Since 2008 Since 2006	Founder and CEO, DanCourt Management LLC (financial/ strategy consulting firm and Registered Investment Adviser), March 1999 to present.	54	Director, Forward Management LLC and Audit Committee Chairman, January 2008 to present; Trustee, Berea College of Kentucky and Vice-Chairman of the Investment Committee, May 2009 to present; Member of the Governing Council of the Independent Directors Council, October 2012 to present; President, July 2013 to present, and Board Member of the CFA Society of Stamford, July 2009 to present; Advisory Board member, MainStay Fund Complex[4], June 2015 to December 2015; Trustee, MainStay Fund Complex[4], January 2016 to present.
R. Alastair Short, 1953*†	Trustee	Since 2006	President, Apex Capital Corporation (personal investment vehicle), January 1988 to present; Vice Chairman, W.P. Stewart & Co., Inc. (asset management firm), September 2007 to September 2008; and Managing Director, The GlenRock Group, LLC (private equity investment firm), May 2004 to September 2007.	65	Chairman and Independent Director, EULAV Asset Management, January 2011 to present; Independent Director, Tremont offshore funds, June 2009 to present; Director, Kenyon Review.

Peter J. Sidebottom, 1962*†	Trustee	Since 2012	Partner, PWC/Strategy & Financial Services Advisory, February 2015 to present; Founder and Board Member, AspenWoods Risk Solutions, September 2013 to present; Independent Consultant, June 2013 to February 2015; Partner, Bain & Company (management consulting firm), April 2012 to December 2013; Executive Vice President and Senior Operating Committee Member, TD Ameritrade (on-line brokerage firm), February 2009 to January 2012.	54	Board Member, Special Olympics, New Jersey, November 2011 to September 2013; Director, The Charlotte Research Institute, December 2000 to present; Board Member, Social Capital Institute, University of North Carolina Charlotte, November 2004 to January 2012; Board Member, NJ-CAN, July 2014 to present.
Richard D. Stamberger, 1959*†	Trustee	Since 2006	Director, President and CEO, SmartBrief, Inc. (media company).	65	Director, Food and Friends, Inc., 2013 to present.
Interested Trustee:					
Jan F. van Eck, 1963[5]	Trustee, President and Chief Executive Officer	Trustee (Since 2006); President and Chief Executive Officer (Since 2009)	Director, President and Owner of the Adviser, Van Eck Associates Corporation; Director and President, Van Eck Securities Corporation ("VESC"); Director and President, Van Eck Absolute Return Advisers Corp. ("VEARA").	54	Director, National Committee on US-China Relations.

1 The address for each Trustee and officer is 666 Third Avenue, 9th Floor, New York, New York 10017.
2 Each Trustee serves until resignation, death, retirement or removal. Officers are elected yearly by the Trustees.
3 The Fund Complex consists of the Van Eck Funds, Van Eck VIP Trust and the Trust.
4 The MainStay Fund Complex consists of MainStay Funds Trust, MainStay Funds, MainStay VP Funds Trust, Private Advisors Alternative Strategies Master Fund, Private Advisors Alternative Strategies Fund and MainStay DefinedTerm Municipal Opportunities Fund.
5 "Interested person" of the Trust within the meaning of the 1940 Act. Mr. van Eck is an officer of the Adviser.
* Member of the Audit Committee.
† Member of the Nominating and Corporate Governance Committee.

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Officer's Name, Address[1] and Year of Birth	Position(s) Held with the Trust	Term of Office[2] and Length of Time Served	Principal Occupation(s) During The Past Five Years
Russell G. Brennan, 1964	Assistant Vice President and Assistant Treasurer	Since 2008	Assistant Vice President and Assistant Treasurer of the Adviser (since 2008); Manager (Portfolio Administration) of the Adviser, September 2005 to October 2008; Officer of other investment companies advised by the Adviser.
Charles T. Cameron, 1960	Vice President	Since 2006	Director of Trading (since 1995) and Portfolio Manager (since 1997) for the Adviser; Officer of other investment companies advised by the Adviser.
Simon Chen, 1971	Assistant Vice President	Since 2012	Greater China Director of the Adviser (since January 2012); General Manager, SinoMarkets Ltd. (June 2007 to December 2011).
John J. Crimmins, 1957	Vice President, Treasurer, Chief Financial Officer and Principal Accounting Officer	Vice President, Chief Financial Officer and Principal Accounting Officer (Since 2012); Treasurer (Since 2009)	Vice President of Portfolio Administration of the Adviser, June 2009 to present; Vice President of VESC and VEARA, June 2009 to present; Chief Financial, Operating and Compliance Officer, Kern Capital Management LLC, September 1997 to February 2009; Officer of other investment companies advised by the Adviser.
Eduardo Escario, 1975	Vice President	Since 2012	Regional Director, Business Development/Sales for Southern Europe and South America of the Adviser (since July 2008); Regional Director (Spain, Portugal, South America and Africa) of Dow Jones Indexes and STOXX Ltd. (May 2001 – July 2008).
Lars Hamich, 1968	Vice President	Since 2012	Managing Director and Chief Executive Officer of Van Eck Global (Europe) GmbH (since 2009); Chief Executive Officer of Market Vectors Index Solutions GmbH ("MVIS") (since June 2011); Managing Director of STOXX Limited (until 2008).
Wu-Kwan Kit, 1981	Assistant Vice President and Assistant Secretary	Since 2011	Assistant Vice President, Associate General Counsel and Assistant Secretary of the Adviser, VESC and VEARA (since 2011); Associate, Schulte Roth & Zabel (September 2007 – 2011); University of Pennsylvania Law School (August 2004 – May 2007).

Susan C. Lashley, 1955	Vice President	Since 2006	Vice President of the Adviser and VESC; Officer of other investment companies advised by the Adviser.
Laura I. Martínez, 1980	Assistant Vice President and Assistant Secretary	Since 2008	Assistant Vice President, Associate General Counsel and Assistant Secretary of the Adviser, VESC and VEARA (since 2008); Associate, Davis Polk & Wardwell (October 2005 – June 2008); Officer of other investment companies advised by the Adviser.
Ferat Oeztuerk, 1983	Assistant Vice President	Since 2012	Sales Associate, Van Eck Global (Europe) GmbH (since November 2011); Account Manager, Vodafone Global Enterprise Limited (January 2011 to October 2011).
James Parker, 1969	Assistant Treasurer	Since June 2014	Manager (Portfolio Administration) of the Adviser (since June 2010); Vice President of JPMorgan Chase & Co. (April 1999 to January 2010).
Jonathan R. Simon, 1974	Vice President, Secretary and Chief Legal Officer	Vice President (Since 2006) and Secretary and Chief Legal Officer (Since 2014)	Vice President (since 2006), General Counsel and Secretary (since 2014) of the Adviser, VESC and VEARA; Officer of other investment companies advised by the Adviser.
Bruce J. Smith, 1955	Senior Vice President	Since 2006	Senior Vice President, Chief Financial Officer, Treasurer and Controller of the Adviser, VESC and VEARA (since 1997); Director of the Adviser, VESC and VEARA (since October 2010); Officer of other investment companies advised by the Adviser.
Janet Squitieri, 1961	Chief Compliance Officer	Since September 2013	Vice President, Global Head of Compliance of the Adviser, VESC and VEARA (since September 2013); Chief Compliance Officer and Senior Vice President North America of HSBC Global Asset Management NA (August 2010 – September 2013); Chief Compliance Officer North America of Babcock & Brown LP (July 2008 - June 2010).

1 The address for each Officer is 666 Third Avenue, 9th Floor, New York, New York 10017.
2 Officers are elected yearly by the Trustees.

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This report is intended for the Funds' shareholders. It may not be distributed to prospective investors unless it is preceded or accompanied by a Market Vectors ETF Trust (the "Trust") Prospectus, which includes more complete information. An investor should consider the investment objective, risks, and charges and expenses of the Funds carefully before investing. The prospectus contains this and other information about the investment company. Please read the prospectus carefully before investing.

Additional information about the Trust's Board of Trustees/Officers and a description of the policies and procedures the Trust uses to determine how to vote proxies relating to portfolio securities are provided in the Statement of Additional Information. The Statement of Additional Information and information regarding how the Trust voted proxies relating to portfolio securities during the most recent twelve month period ending June 30 is available, without charge, by calling 1.800.826.2333, or by visiting vaneck.com, or on the Securities and Exchange Commission's website at http://www.sec.gov.

The Trust files its complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Trust's Form N-Qs are available on the Commission's website at http://www.sec.gov and may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1.202.942.8090. The Funds' complete schedules of portfolio holdings are also available by calling 1.800.826.2333 or by visiting vaneck.com.

Investment Adviser:	Van Eck Associates Corporation	
Distributor:	Van Eck Securities Corporation 666 Third Avenue, New York, NY 10017 vaneck.com	
Account Assistance:	800.826.2333	MVINTLAR

ANNUAL REPORT
December 31, 2015

MARKET VECTORS

HARD ASSETS ETFs

Agribusiness ETF	MOO®
Coal ETF	KOL®
Global Alternative Energy ETF	GEX®
Gold Miners ETF	GDX®
Junior Gold Miners ETF	GDXJ®
Oil Refiners ETF	CRAK
Oil Services ETF	OIH®
Rare Earth/Strategic Metals ETF	REMX®
Natural Resources ETF	HAP®
Solar Energy ETF	KWT®
Steel ETF	SLX®
Unconventional Oil & Gas ETF	FRAK®
Uranium+Nuclear Energy ETF	NLR®

1.800.826.2333 vaneck.com

MARKET VECTORS HARD ASSETS ETFs

The information contained in this report represents the opinions of VanEck and may differ from other persons. This information is not intended to be a forecast of future events, a guarantee of future results or investment advice. The information contained herein regarding each index has been provided by the relevant index provider. Also, unless otherwise specifically noted, any discussion of the Funds' holdings and the Funds' performance, and the views of VanEck are as of December 31, 2015.

MARKET VECTORS HARD ASSETS ETFs

(unaudited)

Dear Shareholder:

We are in the 14th month of the current commodities bear market at this yearend. Commodity downturns have generally lasted 18 months. If this is a normal cycle—and unless commodity prices fall much further—in our opinion, our analyses suggest a bottom occurring during the first half of 2016, with the first quarter more likely.

CRB Commodity Composite Price Index[1]

Source: Economagic.com (4/30/1947 – 12/31/1983); Bloomberg (1/31/1984 – Present). Note: Shaded areas are longer period of falling commodity prices (>10 months). Past performance is no guarantee of future results; current performance may be lower or higher than the performance data quoted. Index performance is not illustrative of fund performance. Investors cannot invest directly in an Index.

Market Vectors Natural Resources ETF (NYSE Arca: HAP) may offer an interesting opportunity to participate broadly in the sector. The fund tracks the most comprehensive global natural resources index providing diverse exposure to commodity-producing companies across all commodities sectors and along the entire supply chain. Its upside capture ratio[2] is also higher than the S&P Global Natural Resources Index[3] and MSCI ACWI Commodity Producers Index.[4]

As was 2014, 2015 was not kind to energy stocks. The energy story in 2015 was, however, not one of total doom and gloom. There were some bright spots, especially when it came to alternative energy and, in particular, solar and wind power generation. The alternative energy industry was happy when, as part of a $1.15 trillion federal spending bill, federal subsidies for renewable energy, which includes both solar and wind, were extended.

Despite these punishing couple of years, we still believe in the opportunities offered by the energy ETFs in our suite of hard assets ETFs, not least because they combine both broad-based and focused funds. More specifically, looking at several different scenarios for energy going forward, we see opportunities in each.

If oil prices begin to recover supporting upstream energy companies, then we see opportunities in both Market Vectors Oil Services ETF (NYSE Arca: OIH), the largest and most liquid oil services ETF, and Market Vectors

Unconventional Oil & Gas ETF (NYSE Arca: FRAK), the first and only ETF dedicated to the unconventional energy segment with a heavy concentration in exploration and production companies.

If oil prices fail to recover, or even drift lower, then the Market Vectors Oil Refiners ETF (NYSE Arca: CRAK), the first and only ETF to offer exposure to global oil refiners (which have, historically, provided differentiated energy exposure), has the potential to benefit from lower oil prices.

In light of the Paris climate talks, and subsequent agreement, investors may have a *renewed* interest in alternative energy. (Paired with this, any positive news out of China could be a positive in the space.) We see the opportunities in this scenario lying with the Market Vectors Global Alternative Energy ETF (NYSE Arca: GEX), which provides broad-based global alternative energy exposure, and the Market Vectors Solar Energy ETF (NYSE Arca: KWT), which provides solar energy exposure. Market Vectors Natural Reources ETF (NYSE Arca: HAP) is also one of the few broad-based natural resources ETFs to provide exposure to alternative energy.

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MARKET VECTORS HARD ASSETS ETFs

(unaudited)

Going forward, we will, of course, continue to seek out and evaluate the most attractive opportunities for you as a shareholder in the hard assets space. Please stay in touch with us through our website (http://www.vaneck.com) on which we offer videos, blogs, and email subscriptions, all of which are designed to keep you up to date with your investment in Market Vectors ETFs.

On the following pages, you will find the performance record of each of the funds for the period ended December 31, 2015. You will also find their financial statements. As always, we value your continued confidence in us and look forward to helping you meet your investment goals in the future.

Jan F. van Eck
Trustee and President
Market Vectors ETF Trust

January 22, 2016

Represents the opinions of the investment adviser. Past performance is no guarantee of future results. Not intended to be a forecast of future events, a guarantee of future results or investment advice. Current market conditions may not continue.

All indices are unmanaged and include the reinvestment of all dividends, but do not reflect the payment of transaction costs, advisory fees or expenses that are associated with an investment in the Fund. An index's performance is not illustrative of the Fund's performance. Indices are not securities in which investments can be made. Results reflect past performance and do not guarantee future results.

1 CRB Commodity Composite Price Index measures the overall direction of commodity sectors. The CRB was designed to isolate and reveal the directional movement of prices in overall commodity trades.

2 Upside capture ratio measures whether an index outperformed a calculation benchmark index in periods of market strength. The calculation benchmark in this instance is the S&P® 500 Index and is for the five year period ending December 31, 2015.

3

S&P® Global Natural Resources Index (SPGNRUT) includes 90 of the largest publicly traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors diversified and investable equity exposure across three primary commodity-related sectors: agribusiness, energy and metals and mining.

[4] MSCI ACWI Commodity Producers Index captures the global opportunity set of commodity producers in the energy, metal and agricultural sectors.

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Management Discussion (unaudited)

Hard Assets Market Overview

The *Rogers™*-Van Eck Natural Resources Index* (RVEIT), which includes equities of the world's largest and most prominent hard assets producers, remains the most comprehensive index in the hard assets producer space. For the 12 month period ending December 31, 2015, the index returned -19.49%. The table below shows average sector weightings within this index and the total return of each sector for the 12 month period ending December 31, 2015.

RVEIT Sector	Average Sector Weighting	12 Month Total Return for Period Ending December 31, 2015
Energy	41.21%	-21.69%
Agriculture	31.08%	-11.33%
Base/Industrial Metals	12.37%	-36.71%
Precious Metals	7.01%	-28.05%
Alternatives	4.20%	+18.78%
Paper & Forest Products	4.13%	-3.74%

Source: Van Eck Global; FactSet; S-Network Global Indexes, LLC. Past performance is no guarantee of future results; current performance may be lower or higher than the performance data quoted. Index performance is not illustrative of fund performance. Investors cannot invest directly in an Index.

One out of the six sectors—alternatives—had positive returns over the 12 months ended December 31, 2015. While the alternatives sector, with the second smallest average weighting, posted the highest total return for the 12 month period, the third largest sector by average weighting, base and industrial metals, posted the worst total return for the same period.

Out of the suite of 12 Market Vectors Hard Assets ETFs that traded for the full 12 month period, a single fund, the Market Vectors Global Alternative Energy ETF (NYSE Arca: GEX) (+1.45%), posted positive total returns.

January 1 through December 31, 2015
Market Vectors Hard Assets ETFs Total Return

Note: Market Vectors Oil Refiners ETF is not included above as it was launched on August 18, 2015.

Source: Van Eck Global. Returns based on each fund's net asset value (NAV). The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Funds reflects temporary waivers of expenses and/or fees. Had the funds incurred all expenses, investment returns would have been reduced. Investment return and value of the shares of the funds will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than performance data quoted.

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MARKET VECTORS HARD ASSETS ETFs

(unaudited) (continued)

Agribusiness

While the agribusiness industry may have proved resilient in the first six months of the year, despite general weakness in commodities markets, the second half of the year was more challenging. The primary drivers of negative performance for the 12 month period were companies in the materials sector and, in particular, those in the fertilizer and agricultural chemical segment. Geographically, the greatest positive returns came from companies in Switzerland, while the greatest negative returns came from those in the U.S. and Canada.

Coal

If the first six months of 2015 were difficult for the coal industry, the second six months were even worse. By the end of June, coal production and consumption in the U.S. over the previous six months had already dropped approximately 8.2%[1] and 12.7%[2], respectively, against the same period in 2014. In mid-November, China, one of the world's largest coal consumers, published its Energy Development Strategy Action Plan (2014 – 2020),[3] in which it stated that "annual coal consumption will be held below 4.2 billion tonnes until 2020, 16.3 percent more than the 3.6 billion tonnes burned last year," and that the share of coal in energy consumption will be reduced to under 62%. Currently, nearly two-thirds of China's electricity alone comes from coal.[4] Just one country contributed positive returns: Russia. The U.S., with an average weighting of close to 29%, detracted most from the sector's performance.

Global Alternative Energy

Global alternative energy stocks as a whole performed strongly during the first half of 2015. While their performance was lackluster in the second half of the year, the fund recorded a positive return for the 12 month period. The strongest positive contribution came from companies involved in wind energy. The strongest contribution geographically came from companies in Denmark and Spain. Companies in the United States, with by far the largest average weighting in the sector, detracted the most from performance.

Gold Miners

Larger gold miners underperformed their junior peers over the 12 month period under review. In addition, both junior miners and their larger peers underperformed the metal over the same period. Gold prices fell approximately 10% over the course of 2015. Among the larger mining stocks, Australian companies were the only positive contributors to performance. Their performance was vastly overshadowed by the negative performance of companies in Canada (with by far the largest average weighting in the sector), the U.S., and South Africa. Among the juniors, while Australian companies contributed somewhat more to performance than did their larger peers, their positive performance was, once again, vastly overshadowed by the negative performance of companies in Canada (with, again, by far the largest average weighting in the sector), the U.S. and South Africa.

Oil Refiners

By December 31, the Fund had only been trading a little over four months. During that period, however, refiners benefited from continuing low crude oil prices and, subsequently, low refinery feedstock prices. Refiners out of South Korea and Australia were top contributors to performance for the period while exposure to refiners in the U.S. and Poland detracted the most from performance.

Oil Services

Hit by the precipitous drop in oil prices at the start of the year, their halting rise from mid-March through to early-June, and decline thereafter, oil services stocks were on a roller coaster during the first six months of 2015. As oil prices continued their erratic fall thereafter, the second half of the year also proved challenging, with oil services stocks never again regaining the levels recorded in the first half of the year, not least because of the swinging cuts in both capex and opex (capital expenditure and operating expenditure) made across the spectrum of companies involved in oil production. By the end of June, the total U.S. rig count stood at 859, having, in the middle of the month hit its lowest level since January 2003.[5] This was a decline of 53%[6] since December 26, 2014. By the end of the year, the rig count had fallen to 698, a drop of 61%[7] since the beginning of the year. Oil service stocks in the U.S., by far the largest average weighting in the sector, detracted the most from performance.

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Rare Earth and Strategic Metals

Despite Molycorp (sold by Fund by period end), the only U.S. rare earth producer of rare earths, filing for Chapter 11 bankruptcy protection at the end of June,[8] the subsequent suspension of operations at its Mountain Pass mine in October,[9] and the announcement by China's top six producers that they would produce 10% less in 2016,[10] rare earth prices saw a lackluster second half of 2015. While cuts may have helped short term, illegal production continued to exert downward pressure on prices.[11] Companies operating in Australia and Argentina, involved specifically in the mining and refining of rare earths, and lithium and boron respectively, were the greatest contributors to performance. The greatest detractors from performance included companies involved in both titanium and molybdenum. Large- and mid-cap companies performed considerably better than their small-cap peers during the period under review.

Natural Resources

Only one sector, alternatives, contributed positively to performance during the period under review. Within the sector, companies involved in wind energy generation were particularly strong performers. All five other sectors detracted from performance, with energy companies, constituting the largest segment of the natural resources industry, the worst performers, and paper and forest products companies detracting the least from performance.

Solar Energy

Despite performing strongly in the first half of 2015, solar energy stocks languished in the second half of the year and posted a loss for the full 12 month period under review. Within the sector, the strongest contribution came from companies in Germany, followed by those in France and Canada. Companies in U.S., followed by China, were the most significant detractors from performance.

Steel

If first half of 2015 was hard for the steel industry, so, too, was the second half of the year. While, on year-on-year terms, the global consumption of steel fell throughout 2015,[12] the market not only remained hugely oversupplied, but capacity utilization also fell,[13] especially in China—which accounts for over 50% of total global production. Xu Lejiang, chairman of China's second largest steel producer, Shanghai Baosteel Group, was quoted as saying, in October, that Chinese steelmakers were "bleeding cash."[14] With the two largest average weightings in the sector during the period under review, the U.S. and Brazil were the two greatest detractors from performance. Russian companies were the greatest positive contributors to the Fund's return for the period.

Unconventional Oil & Gas

During the 12 month period, unconventional energy companies continued suffer from the fall in oil prices that occurred toward the end of 2014 and continued into and through 2015: capital expenditure was slashed across the industry and the U.S. onshore rig count dropped dramatically. Having dropped to 859 by the end of June, a decline of 53%[15] for the six-month period, by the end of the year the total U.S. rig count had fallen to 698, a decline of approximately 61% for the full 12 month period. More explicitly, the oil component of this count fell 64% during the year from 1,482 to 536.[16] Having already fallen nearly 46% in 2014, to end the year at $53.27 per barrel, by the end of December 2015, West Texas Intermediate (WTI) front month crude prices had fallen to $37.04 per barrel, a decline of 30% over the 12 month period. U.S. stocks (on average approximately 80% of the fund by weight during the period under review) detracted most from performance.

Uranium and Nuclear Energy

Performance in 2015 was negative. Utility companies, with the largest average weighting over the period under review, produced the vast majority of the sector's negative total return. Geographically, companies in the U.S., followed by those in Japan, detracted most from performance, while South Korea was the only country to contribute positively to performance, and only minimally.

In Japan, Kyushu Electric Power (1.7% of Fund net assets)† announced that, on August 31, Sendai 1 had reached 100% capacity and that, on November 19, its 846 megawatt Sendai 2 pressurized water reactor in Kagoshima prefecture "had attained full commercial operation". However, the remaining 43 of the country's

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MARKET VECTORS HARD ASSETS ETFs

(unaudited) (continued)

operable reactors are still shut.[17] While, in the U.K., the nuclear industry received a boost in October with the announcement that China would invest about US$9 billion for a 33% share in a new reactor to be built at Hinkley Point[18] in Somerset, England, in the U.S., the viability of nuclear energy production remains in question.[19]

All indices are unmanaged and include the reinvestment of all dividends, but do not reflect the payment of transaction costs, advisory fees or expenses that are associated with an investment in the Fund. An index's performance is not illustrative of the Fund's performance. Indices are not securities in which investments can be made. Results reflect past performance and do not guarantee future results.

* The *Rogers™*-Van Eck Natural Resources Index (RVEIT) is a rules based, modified capitalization weighted, float adjusted index comprising publicly traded companies engaged in the production and distribution of commodities and commodity-related products and services in the following sectors: 1) Agriculture; 2) Alternatives (Water & Alternative Energy); 3) Base and Industrial Metals; 4) Energy; 5) Forest Products; and 6) Precious Metals.

† All Fund assets referenced are Total Net Assets as of December 31, 2015, unless otherwise stated.

1 EIA: July 2015 – Monthly Energy Review, http://www.eia.gov/totalenergy/data/monthly/archive/00351507.pdf
2 EIA: September 2015 – Monthly Energy Review, http://www.eia.gov/totalenergy/data/monthly/archive/00351509.pdf
3 Xinhuanet: China unveils energy strategy, targets for 2020, http://news.xinhuanet.com/english/china/2014-11/19/c_13380101
4 Washington Post: China confronts the pain of kicking its coal addiction, https://www.washingtonpost.com/world/china-confronts-the-pain-of-kicking-its-coal-addiction/2015/10/28/24f23586-882b-4
5 Market Realist: Is the Rig Count Decline Finally Slowing down?, http://marketrealist.com/2015/06/rig-count-decline-finally-
6 Source: Baker Hughes data: http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NTg1MzY2fENoaWxkSUQ9M
7 Source: Baker Hughes data: http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NjA2NDI3fENoaWxkSUQ9M
8 Reuters: CORRECTED-Rare earths miner Molycorp files for Chapter 11 bankruptcy, http://www.reuters.com/article/2015/06/25/molycorpbankruptcy-idUSL3N0ZB2OX20150625
9 The Wall Street Journal: A Rare-Earths Economics Lesson, http://www.wsj.com/articles/a-rare-earths-economics-lesson-144
10 Reuters: Cuts in China's rare earth output not enough to revive hard-hit market, http://www.reuters.com/article/2015/11/06/rareearths-outlook-idUSL8N12U4A720151106#GQuM3uGHFy1R0CEw.97
11 Ibid.
12 Business Insider Australia: China's steel industry is going from bad to worse, http://www.businessinsider.com.au/chinas-steel-industry-heavily-indebted-and-plagued-by-overcapacity-is-going-from-bad-t
13 Ibid.
14 Ibid.
15 Source: Baker Hughes data: http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NjA2NDI3fENoaWxkSUQ9M
16 Ibid.
17 Nuclear Energy Institute: Japan Nuclear Update, http://www.nei.org/News-Media/News/Japan-Nuclear-Update
18 World Nuclear News: Momentum at last for UK nuclear industry?, http://www.world-nuclear-news.org/V-Momentum-at-last-for-UK-nuclear-industry-27101501.html
19 Public Radio International: Nuclear reactor closings in the US continue to roil the energy industry, http://www.pri.org/stories/2015-11-22/nuclear-reactor-closings-us-continue-roil-energy-industry

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AGRIBUSINESS ETF

PERFORMANCE COMPARISON

December 31, 2015 (unaudited)

Hypothetical Growth of $10,000 (Since Inception)

This chart shows the value of a hypothetical $10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

Total Return	**Share Price[1]**	**NAV**	**MVMOOTR[2]**
One Year	(8.97)%	(8.96)%	(9.17)%
Five Years	(0.76)%	(0.68)%	(0.29)%
Life* (annualized)	3.13 %	3.15 %	3.59 %
Life* (cumulative)	29.31 %	29.47 %	34.16 %
* since 8/31/2007			

Index data prior to March 18, 2013 reflects that of the DAXglobal Agribusiness Index (DXAG). From March 18, 2013, forward, the index data reflects that of the Market Vectors® Global Agribusiness Index (MVMOOTR). All Index history reflects a blend of the performance of the aforementioned Indexes.

Commencement date for the Market Vectors Agribusiness ETF was 8/31/07.

1 The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (8/31/07) to the first day of secondary market trading in shares of the Fund (9/5/07), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data

quoted. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 0.55% / Net Expense Ratio 0.55%

Van Eck Associates Corporation (the "Adviser") has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.56% of the Fund's average daily net assets per year until at least May 1, 2016. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in cash. Shares may trade at a premium or discount to their NAV in the secondary market.

The "Net Asset Value" (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

AGRIBUSINESS ETF

PERFORMANCE COMPARISON

(unaudited) (continued)

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

2 Market Vectors® Global Agribusiness Index (MVMOOTR) is a rules-based, modified-capitalization-weighted, float-adjusted index intended to give investors exposure to the overall performance of the global agribusiness industry.

Market Vectors Global Agribusiness Index (the "Index") is the exclusive property of Market Vectors Index Solutions GmbH (a wholly owned subsidiary of the Adviser), which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards Market Vectors Index Solutions GmbH, Solactive AG has no obligation to point out errors in the Index to third parties. Market Vectors Agribusiness ETF (the "Fund") is not sponsored, endorsed, sold or promoted by Market Vectors Index Solutions GmbH and Market Vectors Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above (*i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at www.vaneck.com.

COAL ETF

PERFORMANCE COMPARISON

December 31, 2015 (unaudited)

Hypothetical Growth of $10,000 (Since Inception)

This chart shows the value of a hypothetical $10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

Total Return	**Share Price**[1]	**NAV**	**MVKOLTR**[2]
One Year	(55.45)%	(55.14)%	(55.10)%
Five Year	(31.60)%	(31.49)%	(31.20)%
Life* (annualized)	(19.44)%	(19.39)%	(18.93)%
Life* (cumulative)	(82.16)%	(82.08)%	(81.25)%

* since 1/10/2008

Index data prior to September 24, 2012 reflects that of the Stowe Coal Index[SM] (TCOAL). From September 24, 2012 forward, the index data reflects that of the Market Vectors® Global Coal Index (MVKOLTR). All Index history reflects a blend of the performance of the aforementioned Indexes.

Commencement date for the Market Vectors Coal ETF was 1/10/08.

1 The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (1/10/08) to the first day of secondary market trading in shares of the Fund (1/14/08), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data

quoted. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 0.66% / Net Expense Ratio 0.59%

Van Eck Associates Corporation (the "Adviser") has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.59% of the Fund's average daily net assets per year until at least May 1, 2016. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market.

The "Net Asset Value" (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

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COAL ETF

PERFORMANCE COMPARISON

(unaudited) (continued)

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

2 Market Vectors® Global Coal Index (MVKOLTR) is a rules-based, capitalization-weighted, float-adjusted index intended to give investors a means of tracking the overall performance of a global universe of listed companies engaged in the coal industry.

Market Vectors Global Coal Index (the “Index”) is the exclusive property of Market Vectors Index Solutions GmbH (a wholly owned subsidiary of the Adviser), which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards Market Vectors Index Solutions GmbH, Solactive AG has no obligation to point out errors in the Index to third parties. Market Vectors Coal ETF (the “Fund”) is not sponsored, endorsed, sold or promoted by Market Vectors Index Solutions GmbH and Market Vectors Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above *(i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at www.vaneck.com.

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GLOBAL ALTERNATIVE ENERGY ETF

PERFORMANCE COMPARISON

December 31, 2015 (unaudited)

Hypothetical Growth of $10,000 (Since Inception)

This chart shows the value of a hypothetical $10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

Total Return	**Share Price**[1]	**NAV**	**AGIXLT**[2]
One Year	2.11 %	1.45 %	1.54 %
Five Year	(0.47)%	(0.63)%	(1.12)%
Life* (annualized)	(7.68)%	(7.73)%	(8.05)%
Life* (cumulative)	(49.95)%	(50.18)%	(51.69)%

* since 5/3/2007

Commencement dates for the Market Vectors Global Alternative Energy ETF was 5/3/07.

1 The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (5/3/07) to the first day of secondary market trading in shares of the Fund (5/9/07), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 0.62% / Net Expense Ratio 0.62%

Van Eck Associates Corporation (the "Adviser") has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.62% of the Fund's average daily net assets per year until at least May 1, 2016. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in cash. Shares may trade at a premium or discount to their NAV in the secondary market.

The "Net Asset Value" (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

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GLOBAL ALTERNATIVE ENERGY ETF

PERFORMANCE COMPARISON

(unaudited) (continued)

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

2 Ardour Global Index[SM] (Extra Liquid) (AGIXLT) is a rules-based, global capitalization-weighted, float adjusted index intended to give investors a means of tracking the overall performance of a global universe of listed companies engaged in the alternative energy industry.

"Ardour Global Indexes[SM], LLC", "ARDOUR GLOBAL INDEX[SM] (Extra Liquid)", and "ARDOUR – XL[SM]" are service marks of Ardour Global Indexes[SM], LLC and have been licensed for use by Van Eck Associates Corporation in connection with Market Vectors Global Alternative Energy ETF (GEX). Market Vectors Global Alternative Energy ETF (the "Fund") is not sponsored, endorsed, sold or promoted by Ardour Global Indexes[SM], LLC and Ardour Global Indexes[SM], LLC makes no representation regarding the advisability of investing in the Fund. AGIXLT is calculated by Dow Jones Indexes. The Fund, based on the AGIXLT, is not sponsored, endorsed, sold or promoted by Dow Jones Indexes, and Dow Jones Indexes makes no representation regarding the advisability of investing in the Fund.

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above (*i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at www.vaneck.com.

GOLD MINERS ETF

PERFORMANCE COMPARISON

December 31, 2015 (unaudited)

Hypothetical Growth of $10,000 (Since Inception)

This chart shows the value of a hypothetical $10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

Total Return	**Share Price**[1]	**NAV**	**GDMNTR**[2]
One Year	(24.73)%	(24.93)%	(24.79)%
Five Year	(25.36)%	(25.35)%	(25.00)%
Life* (annualized)	(9.84)%	(9.84)%	(9.41)%
Life* (cumulative)	(63.12)%	(63.13)%	(61.38)%

* since 5/16/2006

Commencement date for the Market Vectors Gold Miners ETF was 5/16/06.

1 The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (5/16/06) to the first day of secondary market trading in shares of the Fund (5/22/06), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 0.52% / Net Expense Ratio 0.52%

Van Eck Associates Corporation (the "Adviser") has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.53% of the Fund's average daily net assets per year until at least May 1, 2016. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market.

The "Net Asset Value" (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

GOLD MINERS ETF

PERFORMANCE COMPARISON

(unaudited) (continued)

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

[2] NYSE Arca Gold Miners Index (GDMNTR) is a modified capitalization-weighted index comprised of publicly traded companies involved primarily in the mining for gold.

NYSE Arca Gold Miners Index (the "Index"), a trademark of NYSE Euronext or its affiliates (NYSE Euronext), is licensed for use by Van Eck Associates Corporation in connection with Market Vectors Gold Miners ETF (GDX). Market Vectors Gold Miners ETF (the "Fund") is not sponsored, endorsed, sold or promoted by NYSE Euronext and NYSE Euronext makes no representation as to the accuracy and/or completeness of the Index or results to be obtained by any person from using the Index in connection with trading the Fund.

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above (*i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at www.vaneck.com

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JUNIOR GOLD MINERS ETF

PERFORMANCE COMPARISON

December 31, 2015 (unaudited)

Hypothetical Growth of $10,000 (Since Inception)

This chart shows the value of a hypothetical $10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

Total Return	**Share Price**[1]	NAV	**MVGDXJTR**[2]
One Year	(19.15)%	(19.48)%	(19.15)%
Five Year	(33.00)%	(32.96)%	(32.51)%
Life* (annualized)	(21.06)%	(21.05)%	(20.72)%
Life* (cumulative)	(76.60)%	(76.57)%	(75.96)%
* since 11/10/2009			

Commencement date for the Market Vectors Junior Gold Miners ETF was 11/10/09.

1 The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (11/10/09) to the first day of secondary market trading in shares of the Fund (11/11/09), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 0.56% / Net Expense Ratio 0.56%

Van Eck Associates Corporation (the "Adviser") has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.56% of the Fund's average daily net assets per year until at least May 1, 2016. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market.

The "Net Asset Value" (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

JUNIOR GOLD MINERS ETF

PERFORMANCE COMPARISON

(unaudited) (continued)

2 Market Vectors® Global Junior Gold Miners Index (MVGDXJTR) is a rules-based, modified capitalization-weighted, float-adjusted index comprised of a global universe of publicly traded small- and medium-capitalization companies that generate at least 50% of their revenues from gold and/or silver mining, hold real property that has the potential to produce at least 50% of the company's revenue from gold or silver mining when developed, or primarily invest in gold or silver.

Market Vectors Global Junior Gold Miners Index (the "Index") is the exclusive property of Market Vectors Index Solutions GmbH (a wholly owned subsidiary of the Adviser), which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards Market Vectors Index Solutions GmbH, Solactive AG has no obligation to point out errors in the Index to third parties. Market Vectors Junior Gold Miners ETF (the "Fund") is not sponsored, endorsed, sold or promoted by Market Vectors Index Solutions GmbH and Market Vectors Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above (*i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at www.vaneck.com.

NATURAL RESOURCES ETF

PERFORMANCE COMPARISON

December 31, 2015 (unaudited)

Hypothetical Growth of $10,000 (Since Inception)

This chart shows the value of a hypothetical $10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

Total Return	**Share Price**[1]	**NAV**	**RVEIT**[2]
One Year	(19.96)%	(19.48)%	(19.49)%
Five Year	(5.31)%	(5.22)%	(5.05)%
Life* (annualized)	(3.63)%	(3.60)%	(3.39)%
Life* (cumulative)	(23.74)%	(23.61)%	(22.37)%
* since 8/29/2008			

Effective May 1, 2014, the name of the index that the Fund seeks to replicate changed from The Rogers™-Van Eck Hard Assets Producers Index to The Rogers™-Van Eck Natural Resources Index (the "Index"). In connection with that change, the Board of Trustees of the Trust approved changing the Fund's name to Market Vectors Natural Resources ETF and, accordingly, the Fund's investment objective changed such that the Fund will seek to replicate as closely as possible, before fees and expenses, the price and yield performance of The Rogers™-Van Eck Natural Resources Index.

Commencement date for the Market Vectors Natural Resources ETF was 8/29/08.

1 The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (8/29/08) to the first day of secondary market trading in shares of the Fund (9/3/08), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 0.75% / Net Expense Ratio 0.50%

Van Eck Associates Corporation (the "Adviser") has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.49% of the Fund's average daily net assets per year until at least May 1, 2016. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in cash. Shares may trade at a premium or discount to their NAV in the secondary market.

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NATURAL RESOURCES ETF

PERFORMANCE COMPARISON

(unaudited) (continued)

The “Net Asset Value” (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF’s intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

2 The *Rogers™*-Van Eck Natural Resources Index (RVEIT) is a rules-based, modified capitalization-weighted, float adjusted index intended to give investors a means of tracking the overall performance of a global universe of listed companies engaged in the production and distribution of commodities and commodity-related products and services.

The *Rogers™*-Van Eck Natural Resources Index has been licensed by Van Eck Associates Corporation from S-Network Global Indexes, LLC in connection with Market Vectors Natural Resources ETF (HAP). Market Vectors Natural Resources ETF (the “Fund”) is not sponsored, endorsed, sold or promoted by S-Network Global Indexes, LLC, which makes no representation regarding the advisability of investing in the Fund.

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PERSON OR ENTITY FROM THE USE OF RVEI. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL BEELAND INTERESTS OR VAN ECK OR ANY THEIR RESPECTIVE AFFILIATES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSSES, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF.

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above (*i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at www.vaneck.com.

OIL REFINERS ETF

PERFORMANCE COMPARISON

December 31, 2015 (unaudited)

Total Return	Share Price[1]	NAV	MVCRAKTR[2]
Life* (cumulative)	0.41%	0.16%	0.59 %
* since 8/18/2015			

Commencement date for the Market Vectors Oil Refiners ETF was 8/18/2015.

1 The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (8/18/15) to the first day of secondary market trading in shares of the Fund (8/19/15), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 4.98% / Net Expense Ratio 0.59%

Van Eck Associates Corporation (the "Adviser") has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.59% of the Fund's average daily net assets per year until at least May 1, 2017. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market.

The "Net Asset Value" (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

2 Market Vectors® US Global Oil Refiners Index (MVCRAKTR) is a rules-based, modified capitalization-weighted, float-adjusted index intended to give investors a means of tracking the overall performance of companies involved in crude oil refining

Market Vectors US Global Oil Refiners Index (the "Index") is the exclusive property of Market Vectors Index Solutions GmbH (a wholly owned subsidiary of the Adviser), which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that MVCRAKTR is calculated correctly. Irrespective of its obligations towards Market Vectors Index Solutions GmbH, Solactive AG has no obligation to point out errors in the Index to third parties. Market Vectors Oil Refiners ETF (the "Fund") is not sponsored, endorsed, sold or promoted by Market Vectors Index Solutions GmbH and Market Vectors Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

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OIL REFINERS ETF

PERFORMANCE COMPARISON

(unaudited) (continued)

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above (*i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at www.vaneck.com.

OIL SERVICES ETF

PERFORMANCE COMPARISON

December 31, 2015 (unaudited)

Hypothetical Growth of $10,000 (Since Inception)

This chart shows the value of a hypothetical $10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

Total Return	**Share Price[1]**	**NAV**	**MVOIHTR[2]**
One Year	(24.61)%	(24.58)%	(24.95)%
Life* (annualized)	(6.87)%	(7.08)%	(7.15)%
Life* (cumulative)	(24.95)%	(25.61)%	(25.84)%
* since 12/20/2011			

Commencement date for the Market Vectors Oil Services ETF was 12/20/2011.

1 The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (12/20/11) to the first day of secondary market trading in shares of the Fund (12/21/11), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 0.39% / Net Expense Ratio 0.35%

Van Eck Associates Corporation (the "Adviser") has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.35% of the Fund's average daily net assets per year until at least May 1, 2016. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market.

The "Net Asset Value" (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

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OIL SERVICES ETF

PERFORMANCE COMPARISON

(unaudited) (continued)

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

2 Market Vectors® US Listed Oil Services 25 Index (MVOIHTR) is a rules-based, modified capitalization-weighted, float-adjusted index intended to track the overall performance of 25 of the largest U.S. listed, publicly traded oil services companies.

Market Vectors US Listed Oil Services 25 Index (the "Index") is the exclusive property of Market Vectors Index Solutions GmbH (a wholly owned subsidiary of the Adviser), which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards Market Vectors Index Solutions GmbH, Solactive AG has no obligation to point out errors in the Index to third parties. Market Vectors Oil Services ETF (the "Fund") is not sponsored, endorsed, sold or promoted by Market Vectors Index Solutions GmbH and Market Vectors Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above (*i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at www.vaneck.com.

RARE EARTH/STRATEGIC METALS ETF

PERFORMANCE COMPARISON

December 31, 2015 (unaudited)

Hypothetical Growth of $10,000 (Since Inception)

This chart shows the value of a hypothetical $10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

Total Return	**Share Price[1]**	**NAV**	**MVREMXTR[2]**
One Year	(44.21)%	(43.76)%	(44.11)%
Five Year	(30.58)%	(30.13)%	(30.37)%
Life* (annualized)	(27.01)%	(26.75)%	(27.15)%
Life* (cumulative)	(80.42)%	(80.04)%	(80.60)%
* since 10/27/2010			

Commencement date for the Market Vectors Rare Earth/Strategic Metals ETF was 10/27/10.

1 The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (10/27/10) to the first day of secondary market trading in shares of the Fund (10/28/10), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 0.82% / Net Expense Ratio 0.57%

Van Eck Associates Corporation (the “Adviser”) has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.57% of the Fund’s average daily net assets per year until at least May 1, 2016. During such time, the expense limitation is expected to continue until the Fund’s Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called “creation units” and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in cash. Shares may trade at a premium or discount to their NAV in the secondary market.

The “Net Asset Value” (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF’s intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

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RARE EARTH/STRATEGIC METALS ETF

PERFORMANCE COMPARISON

(unaudited) (continued)

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

2 Market Vectors® Global Rare Earth/Strategic Metals Index (MVREMXTR) is a rules-based, modified capitalization-weighted, float-adjusted index comprised of publicly traded companies engaged in a variety of activities that are related to the mining, refining and manufacturing of rare earth/strategic metals.

Market Vectors Global Rare Earth/Strategic Metals Index (the “Index”) is the exclusive property of Market Vectors Index Solutions GmbH (a wholly owned subsidiary of the Adviser), which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards Market Vectors Index Solutions GmbH, Solactive AG has no obligation to point out errors in the Index to third parties. Market Vectors Rare Earth/Strategic Metals ETF (the “Fund”) is not sponsored, endorsed, sold or promoted by Market Vectors Index Solutions GmbH and Market Vectors Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above (*i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at www.vaneck.com.

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SOLAR ENERGY ETF

PERFORMANCE COMPARISON

December 31, 2015 (unaudited)

Hypothetical Growth of $10,000 (Since Inception)

This chart shows the value of a hypothetical $10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

Total Return	**Share Price**[1]	**NAV**	**MVKWTTR**[2]
One Year	(7.72)%	(8.09)%	(11.73)%
Five Year	(15.88)%	(15.91)%	(17.63)%
Life* (annualized)	(24.49)%	(24.45)%	(25.42)%
Life* (cumulative)	(88.49)%	(88.44)%	(89.54)%
* since 4/21/2008			

Index data prior to March 18, 2013 reflects that of the Ardour Solar Energy Index (SOLRXT). From March 18, 2013, forward, the index data reflects that of the Market Vectors® Global Solar Energy Index (MVKWTTR). All Index history reflects a blend of the performance of the aforementioned Indexes.

Commencement date for the Market Vectors Solar Energy ETF was 4/21/08.

[1] The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (4/21/08) to the first day of secondary market trading in shares of the Fund (4/23/08), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data

quoted. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 1.08% / Net Expense Ratio 0.65%

Van Eck Associates Corporation (the “Adviser”) has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.65% of the Fund’s average daily net assets per year until at least May 1, 2016. During such time, the expense limitation is expected to continue until the Fund’s Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called “creation units” and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in cash. Shares may trade at a premium or discount to their NAV in the secondary market.

The “Net Asset Value” (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF’s intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

SOLAR ENERGY ETF

PERFORMANCE COMPARISON

(unaudited) (continued)

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

2 Market Vectors® Global Solar Energy Index (MVKWTTR) is a rules-based, modified-capitalization-weighted, float-adjusted index intended to give investors exposure to the overall performance of the global solar energy industry.

Market Vectors Global Solar Energy Index (the "Index") is the exclusive property of Market Vectors Index Solutions GmbH (a wholly owned subsidiary of the Adviser), which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards Market Vectors Index Solutions GmbH, Solactive AG has no obligation to point out errors in the Index to third parties. Market Vectors Solar Energy ETF (the "Fund") is not sponsored, endorsed, sold or promoted by Market Vectors Index Solutions GmbH and Market Vectors Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above (*i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at www.vaneck.com.

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STEEL ETF

PERFORMANCE COMPARISON

December 31, 2015 (unaudited)

Hypothetical Growth of $10,000 (Since Inception)

This chart shows the value of a hypothetical $10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

Total Return	**Share Price[1]**	**NAV**	**STEEL[2]**
One Year	(42.12)%	(42.03)%	(42.16)%
Five Year	(20.79)%	(20.76)%	(20.60)%
Life* (annualized)	(5.26)%	(5.25)%	(4.96)%
Life* (cumulative)	(39.27)%	(39.22)%	(37.46)%
* since 10/10/2006			

Commencement date for the Market Vectors Steel ETF was 10/10/06.

1 The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (10/10/06) to the first day of secondary market trading in shares of the Fund (10/16/06), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 0.69% / Net Expense Ratio 0.55%

Van Eck Associates Corporation (the "Adviser") has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.55% of the Fund's average daily net assets per year until at least May 1, 2016. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market.

The "Net Asset Value" (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

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STEEL ETF

PERFORMANCE COMPARISON

(unaudited) (continued)

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

[2] NYSE Arca Steel Index (STEEL) is a modified capitalization-weighted index comprised of publicly traded companies predominantly involved in the production of steel products or mining and processing of iron ore.

NYSE Arca Steel Index (the "Index") is a trademark of NYSE Euronext or its affiliates (NYSE Euronext), is licensed for use by Van Eck Associates Corporation in connection with Market Vectors Steel ETF (SLX). Market Vectors Steel ETF (the "Fund") is not sponsored, endorsed, sold or promoted by NYSE Euronext and NYSE Euronext makes no representation as to the accuracy and/or completeness of the Index or the results to be obtained by any person from the using the Index in connection with trading the Fund.

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above (*i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at www.vaneck.com.

UNCONVENTIONAL OIL & GAS ETF

PERFORMANCE COMPARISON

December 31, 2015 (unaudited)

Hypothetical Growth of $10,000 (Since Inception)

This chart shows the value of a hypothetical $10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

Total Return	**Share Price**[1]	**NAV**	**MVFRAKTR**[2]
One Year	(38.21)%	(38.60)%	(38.67)%
Life* (annualized)	(13.89)%	(13.96)%	(13.87)%
Life* (cumulative)	(44.03)%	(44.19)%	(43.98)%
* since 2/14/2012			

Commencement date for the Market Vectors Unconventional Oil & Gas ETF was 2/14/2012.

1 The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (2/14/12) to the first day of secondary market trading in shares of the Fund (2/15/12), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 0.72% / Net Expense Ratio 0.54%

Van Eck Associates Corporation (the “Adviser”) has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.54% of the Fund’s average daily net assets per year until at least May 1, 2016. During such time, the expense limitation is expected to continue until the Fund’s Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called “creation units” and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market.

The “Net Asset Value” (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF’s intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

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UNCONVENTIONAL OIL & GAS ETF

PERFORMANCE COMPARISON

(unaudited) (continued)

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

2 Market Vectors® Global Unconventional Oil & Gas Index (MVFRAKTR) is a rules-based, modified capitalization-weighted, float-adjusted index intended to track the overall performance of companies involved in the exploration, development, extraction, production and/or refining of unconventional oil and natural gas.

Market Vectors Global Unconventional Oil & Gas Index (the "Index") is the exclusive property of Market Vectors Index Solutions GmbH (a wholly owned subsidiary of the Adviser), which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards Market Vectors Index Solutions GmbH, Solactive AG has no obligation to point out errors in the Index to third parties. Market Vectors Unconventional Oil & Gas ETF (the "Fund") is not sponsored, endorsed, sold or promoted by Market Vectors Index Solutions GmbH and Market Vectors Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above (*i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at www.vaneck.com.

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URANIUM+NUCLEAR ENERGY ETF

PERFORMANCE COMPARISON

December 31, 2015 (unaudited)

Hypothetical Growth of $10,000 (Since Inception)

This chart shows the value of a hypothetical $10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

Total Return	**Share Price**[1]	**NAV**	**MVNLRTR**[2]
One Year	(9.49)%	(9.26)%	(9.81)%
Five Years	(5.69)%	(5.59)%	(6.01)%
Life* (annualized)	(7.36)%	(7.33)%	(7.29)%
Life* (cumulative)	(47.32)%	(47.16)%	(46.98)%
* since 8/13/2007			

Index data prior to March 24, 2014 reflects that of the DAXglobal® Nuclear Energy Index (DXNE). From March 24, 2014, forward, the index data reflects that of the Market Vectors® Global Uranium & Nuclear Energy Index (MVNLRTR). All index history reflects a blend of the performance of the aforementioned Indexes.

Commencement date for the Market Vectors Uranium+Nuclear Energy ETF was 8/13/07.

1 The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (8/13/07) to the first day of secondary market trading in shares of the Fund (8/15/07), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data

quoted. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 0.70% / Net Expense Ratio 0.61%

Van Eck Associates Corporation (the "Adviser") has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.60% of the Fund's average daily net assets per year until at least May 1, 2016. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market.

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URANIUM+NUCLEAR ENERGY ETF

PERFORMANCE COMPARISON

(unaudited) (continued)

The “Net Asset Value” (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF’s intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

2 Market Vectors® Global Uranium & Nuclear Energy Index (MVNLRTR) is a rules based, modified capitalization weighted, float adjusted index intended to give investors a means of tracking the overall performance of companies involved in uranium and nuclear energy.

Market Vectors® Global Uranium & Nuclear Energy Index (the “Index”) is the exclusive property of Market Vectors Index Solutions GmbH (a wholly owned subsidiary of the Adviser), which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards Market Vectors Index Solutions GmbH, Solactive AG has no obligation to point out errors in the Index to third parties. Market Vectors Uranium+Nuclear Energy ETF is not sponsored, endorsed, sold or promoted by Market Vectors Index Solutions GmbH and Market Vectors Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above (*i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at www.vaneck.com.

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MARKET VECTORS ETF TRUST

EXPLANATION OF EXPENSES

(unaudited)

Hypothetical $1,000 investment at beginning of period

As a shareholder of a Fund, you incur operating expenses, including management fees and other Fund expenses. This disclosure is intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The disclosure is based on an investment of $1,000 invested at the beginning of the period and held for the entire period, July 1, 2015 to December 31, 2015.

Actual Expenses

The first line in the table below provides information about account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period."

Hypothetical Example for Comparison Purposes

The second line in the table below provides information about hypothetical account values and hypothetical expenses based on your Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in your Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as program fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

MARKET VECTORS ETF TRUST

EXPLANATION OF EXPENSES

(unaudited) (continued)

	Beginning Account Value July 1, 2015	Ending Account Value December 31, 2015	Annualized Expense Ratio During Period		Expenses Paid During the Period* July 1, 2015- December 31, 2015
Agribusiness ETF					
Actual	$1,000.00	$867.70	0.52	%	$2.45
Hypothetical**	$1,000.00	$1,022.58	0.52	%	$2.65
Coal ETF					
Actual	$1,000.00	$573.60	0.60	%	$2.38
Hypothetical**	$1,000.00	$1,022.18	0.60	%	$3.06
Global Alternative Energy ETF					
Actual	$1,000.00	$896.50	0.62	%	$2.96
Hypothetical**	$1,000.00	$1,022.08	0.62	%	$3.16
Gold Miners ETF					
Actual	$1,000.00	$779.00	0.52	%	$2.33
Hypothetical**	$1,000.00	$1,022.58	0.52	%	$2.65
Junior Gold Miners ETF					
Actual	$1,000.00	$803.50	0.56	%	$2.55
Hypothetical**	$1,000.00	$1,022.38	0.56	%	$2.85
Natural Resources ETF					
Actual	$1,000.00	$814.20	0.50	%	$2.29
Hypothetical**	$1,000.00	$1,022.68	0.50	%	$2.55
Oil Refiners ETF #					
Actual	$1,000.00	$1,000.00	0.59	%	$2.97
Hypothetical**	$1,000.00	$1,022.23	0.59	%	$3.01
Oil Services ETF					
Actual	$1,000.00	$776.50	0.35	%	$1.57
Hypothetical**	$1,000.00	$1,023.44	0.35	%	$1.79
Rare Earth / Strategic Metals ETF					
Actual	$1,000.00	$639.70	0.58	%	$2.40
Hypothetical**	$1,000.00	$1,022.28	0.58	%	$2.96
Solar Energy ETF					
Actual	$1,000.00	$824.30	0.65	%	$2.99
Hypothetical**	$1,000.00	$1,021.93	0.65	%	$3.31
Steel ETF					
Actual	$1,000.00	$675.60	0.55	%	$2.32
Hypothetical**	$1,000.00	$1,022.43	0.55	%	$2.80
Unconventional Oil & Gas ETF					
Actual	$1,000.00	$653.60	0.54	%	$2.25

Hypothetical**	$1,000.00	$1,022.48	0.54	%	$2.75
Uranium+Nuclear Energy ETF					
Actual	$1,000.00	$968.50	0.61	%	$3.03
Hypothetical**	$1,000.00	$1,022.13	0.61	%	$3.11

* Expenses are equal to the Fund's annualized expense ratio (for the six months ended December 31, 2015) multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year divided by the number of days in the fiscal year (to reflect the one-half year period).

** Assumes annual return of 5% before expenses

\# Expenses are equal to the Fund's annualized expense ratio (for the period from August 18, 2015 (commencement of operations) to December 31, 2015) multiplied by the average account value over the period, multiplied by the number of days since commencement of operations divided by the number of days in the fiscal year.

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AGRIBUSINESS ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 99.9%		
Australia: 3.3%		
4,741,354	Incitec Pivot Ltd. #	$13,526,734
558,727	Nufarm Ltd. #	3,368,982
1,850,209	Treasury Wine Estates Ltd. #	11,091,388
		27,987,104
Canada: 8.5%		
345,868	Agrium, Inc. (USD) †	30,899,847
2,356,120	Potash Corp. of Saskatchewan, Inc. (USD)	40,336,774
		71,236,621
Chile: 0.4%		
164,849	Sociedad Quimica y Minera de Chile SA (ADR)	3,133,779
China / Hong Kong: 2.6%		
13,036,000	China Huishan Dairy Holdings Co. Ltd. † #	4,985,348
8,396,000	Goldin Financial Holdings Ltd. * † #	16,437,831
		21,423,179
Denmark: 0.5%		
132,363	Bakkafrost P/F (NOK) #	3,899,625
Germany: 2.0%		
639,298	K+S AG #	16,289,687
Indonesia: 0.7%		
1,052,476	Astra Agro Lestari Tbk PT #	1,199,712
24,099,700	Charoen Pokphand Indonesia Tbk PT #	4,490,854
		5,690,566
Israel: 0.8%		
1,703,621	Israel Chemicals Ltd. (USD)	6,899,665
Japan: 7.8%		
3,556,130	Kubota Corp. #	54,891,732
519,000	Nippon Meat Packers, Inc. #	10,163,877
		65,055,609
Malaysia: 2.8%		
4,492,300	Felda Global Ventures Holdings Bhd #	1,781,033
9,259,855	IOI Corp. Bhd #	9,590,287
1,172,370	Kuala Lumpur Kepong Bhd #	6,235,671
1,623,300	PPB Group Bhd #	5,992,908
		23,599,899
Netherlands: 0.5%		
185,578	OCI NV * #	4,580,308
Norway: 3.8%		
902,013	Marine Harvest ASA (ADR) †	11,888,531

459,406	Yara International ASA #	19,758,925
		31,647,456
Russia: 1.1%		
428,263	PhosAgro OAO (GDR) # Reg S	5,492,880
1,372,941	Uralkali PJSC * #	3,327,611
		8,820,491

Number of Shares		Value
Singapore: 1.9%		
1,641,300	First Resources Ltd. #	$2,216,105
17,845,745	Golden Agri-Resources Ltd. #	4,260,437
4,395,151	Wilmar International Ltd. #	9,063,860
		15,540,402
South Africa: 0.2%		
251,922	Tongaat Hulett Ltd.	1,513,272
South Korea: 0.4%		
112,785	Komipharm International Co. Ltd. * #	3,677,182
Switzerland: 8.1%		
861,394	Syngenta AG (ADR) †	67,817,550
Taiwan: 0.4%		
2,488,000	Taiwan Fertilizer Co. Ltd. #	3,245,588
Thailand: 1.0%		
16,552,436	Charoen Pokphand Foods (NVDR) #	8,362,046
Ukraine: 0.2%		
146,390	Kernel Holding SA #	1,777,189
United Kingdom: 2.2%		
2,682,742	CNH Industrial NV (USD) †	18,349,955
United States: 50.7%		
149,055	AGCO Corp. †	6,765,606
66,428	Andersons, Inc.	2,101,118
1,315,436	Archer-Daniels-Midland Co.	48,250,192
64,225	Balchem Corp.	3,904,880
385,236	Bunge Ltd.	26,303,914
520,384	CF Industries Holdings, Inc.	21,236,871
695,564	Deere & Co. †	53,050,666
326,514	FMC Corp.	12,776,493
166,992	IDEXX Laboratories, Inc. *	12,177,057
701,496	Monsanto Co.	69,111,386
842,215	Mosaic Co.	23,236,712
82,394	Neogen Corp. *	4,656,909
212,978	Pilgrim's Pride Corp. †	4,704,684
58,167	Sanderson Farms, Inc. †	4,509,106
142,997	Toro Co.	10,448,791
331,857	Tractor Supply Co.	28,373,774
717,605	Tyson Foods, Inc.	38,269,875
1,124,481	Zoetis, Inc.	53,885,130
		423,763,164
Total Common Stocks (Cost: $973,765,041)		834,310,337

MONEY MARKET FUND: 0.0%		
(Cost: $188,225)		
188,225	Dreyfus Government Cash Management Fund	188,225
Total Investments Before Collateral for Securities Loaned: 99.9%		834,498,562
(Cost: $973,953,266)		

See Notes to Financial Statements

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AGRIBUSINESS ETF

SCHEDULE OF INVESTMENTS

(continued)

Principal Amount		Value
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 12.3%		
Repurchase Agreements: 12.3%		
$24,451,460	Repurchase agreement dated 12/31/15 with Citigroup Global Markets, Inc., 0.34%, due 1/4/16, proceeds $24,452,384; (collateralized by various U.S. government and agency obligations, 0.00% to 11.50%, due 1/15/16 to 4/1/51, valued at $24,940,489 including accrued interest)	$24,451,460
24,451,460	Repurchase agreement dated 12/31/15 with Daiwa Capital Markets America, Inc., 0.35%, due 1/4/16, proceeds $24,452,411; (collateralized by various U.S. government and agency obligations, 0.00% to 7.50%, due 1/21/16 to 2/1/49, valued at $24,940,489 including accrued interest)	24,451,460
24,451,460	Repurchase agreement dated 12/31/15 with HSBC Securities USA, Inc., 0.28%, due 1/4/16, proceeds $24,452,221; (collateralized by various U.S. government and agency obligations, 0.00% to 7.25%, due 1/15/16 to 11/15/43, valued at $24,940,559 including accrued interest)	24,451,460

Principal Amount		Value
$5,146,876	Repurchase agreement dated 12/31/15 with JP Morgan Securities LLC, 0.32%, due 1/4/16, proceeds $5,147,059; (collateralized by various U.S. government and agency obligations, 0.00% to 2.00%, due 4/28/16 to 2/15/25, valued at $5,249,868 including accrued interest)	$5,146,876
24,451,460	Repurchase agreement dated 12/31/15 with Nomura Securities International, Inc., 0.33%, due 1/4/16, proceeds $24,452,357; (collateralized by various U.S. government and agency obligations, 0.00% to 10.50%, due 1/15/16 to 10/20/65, valued at $24,940,489 including accrued interest)	24,451,460
Total Short-Term Investments Held as Collateral for Securities Loaned (Cost: $102,952,716)		102,952,716
Total Investments: 112.2% (Cost: $1,076,905,982)		937,451,278
Liabilities in excess of other assets: (12.2)%		(101,900,286)
NET ASSETS: 100.0%		$835,550,992

ADR	American Depositary Receipt
GDR	Global Depositary Receipt
NOK	Norwegian Krone

NVDR	Non-Voting Depositary Receipt
USD	United States Dollar
*	Non-income producing
†	Security fully or partially on loan. Total market value of securities on loan is $98,562,807.
#	Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $229,707,800 which represents 27.5% of net assets.
Reg S	Security was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States. Such a security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments		Value
Consumer Discretionary	3.4	%	$28,373,774
Consumer Staples	26.7		222,651,032
Financials	2.0		16,437,831
Health Care	8.9		74,396,278
Industrials	17.2		143,506,750
Materials	41.8		348,944,672
Money Market Fund	0.0		188,225
	100.0	%	$834,498,562

See Notes to Financial Statements

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The summary of inputs used to value the Fund's investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Common Stocks				
Australia	$—	$27,987,104	$ —	$27,987,104
Canada	71,236,621	—	—	71,236,621
Chile	3,133,779	—	—	3,133,779
China / Hong Kong	—	21,423,179	—	21,423,179
Denmark	—	3,899,625	—	3,899,625
Germany	—	16,289,687	—	16,289,687
Indonesia	—	5,690,566	—	5,690,566
Israel	6,899,665	—	—	6,899,665
Japan	—	65,055,609	—	65,055,609
Malaysia	—	23,599,899	—	23,599,899
Netherlands	—	4,580,308	—	4,580,308
Norway	11,888,531	19,758,925	—	31,647,456
Russia	—	8,820,491	—	8,820,491
Singapore	—	15,540,402	—	15,540,402
South Africa	1,513,272	—	—	1,513,272
South Korea	—	3,677,182	—	3,677,182
Switzerland	67,817,550	—	—	67,817,550
Taiwan	—	3,245,588	—	3,245,588
Thailand	—	8,362,046	—	8,362,046
Ukraine	—	1,777,189	—	1,777,189
United Kingdom	18,349,955	—	—	18,349,955
United States	423,763,164	—	—	423,763,164
Money Market Fund	188,225	—	—	188,225
Repurchase Agreements	—	102,952,716	—	102,952,716
Total	$604,790,762	$332,660,516	$ —	$937,451,278

During the period ended December 31, 2015, transfers of securities from Level 1 to Level 2 were $13,235,737 and transfers of securities from Level 2 to Level 1 were $5,569,730. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities' primary market (Level 1) and valuation by a pricing service (Level 2), which takes into account market direction or events occurring before the Fund's pricing time but after the last local close, as described in the Notes to Financial Statements.

The following table reconciles the valuation of the Fund’s Level 3 investment securities and related transactions during the period ended December 31, 2015:

	Common Stocks China / Hong Kong
Balance as of December 31, 2014	$1,352,155
Realized gain (loss)	—
Change in unrealized appreciation (depreciation)	—
Purchases	—
Sales	—
Transfers in and/or out of level 3	(1,352,155)
Balance as of December 31, 2015	$—

Transfers from Level 3 to Level 1 resulted primarily from security resuming trading activity.

See Notes to Financial Statements

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COAL ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 99.8%		
Australia: 18.1%		
847,225	Aurizon Holdings Ltd. #	$2,685,353
741,162	New Hope Corp. Ltd. #	990,970
196,928	Washington H Soul Pattinson & Co. Ltd. #	2,499,281
1,878,294	Whitehaven Coal Ltd. * #	946,540
		7,122,144
Canada: 10.1%		
704,028	Teck Cominco Ltd. (USD)	2,717,548
148,159	Westshore Terminals Investment Corp.	1,242,569
		3,960,117
China / Hong Kong: 22.9%		
4,573,095	China Coal Energy Co. Ltd. #	1,746,330
2,069,908	China Shenhua Energy Co. Ltd. #	3,232,122
11,448,067	Fushan International Energy Group Ltd. #	1,470,412
20,660,000	National United Resources Holdings Ltd. * #	633,151
415,196	Yanzhou Coal Mining Co. Ltd. (ADR)	1,901,598
		8,983,613
Indonesia: 17.2%		
50,780,315	Adaro Energy Tbk PT #	1,876,477
1,856,352	Indo Tambangraya Megah Tbk PT #	766,337
3,136,400	Tambang Batubara Bukit Asam Tbk PT #	1,017,038
2,546,400	United Tractors Tbk PT #	3,100,530
		6,760,382

Number of Shares		Value
Philippines: 5.1%		
691,080	Semirara Mining and Power Corp. #	$2,000,629
Poland: 1.2%		
54,283	Lubelski Wegiel Bogdanka SA #	455,364
South Africa: 4.0%		
554,706	Exxaro Resources Ltd. #	1,572,715
Thailand: 5.3%		
4,677,800	Banpu PCL (NVDR) #	2,068,723
United States: 15.9%		
189,508	Cloud Peak Energy, Inc. *	394,177

259,949	Consol Energy, Inc.	2,053,597
35,298	FreightCar America, Inc.	685,840
145,944	Joy Global, Inc.	1,840,354
61,654	Peabody Energy Corp.	473,503
228,273	SunCoke Energy, Inc.	792,107
		6,239,578
Total Common Stocks: 99.8% (Cost: $118,167,679)		39,163,265
Other assets less liabilities: 0.2%		84,413
NET ASSETS: 100.0%		$39,247,678

ADR	American Depositary Receipt
NVDR	Non-Voting Depositary Receipt
USD	United States Dollar
*	Non-income producing
#	Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $27,061,972 which represents 69.0% of net assets.

Summary of Investments by Sector (unaudited)	**% of Investments**		**Value**
Consumer Discretionary	1.6	%	$633,151
Energy	61.3		23,995,401
Industrials	24.4		9,554,646
Materials	12.7		4,980,067
	100.0	%	$39,163,265

See Notes to Financial Statements

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The summary of inputs used to value the Fund's investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Common Stocks				
Australia	$—	$7,122,144	$ —	$7,122,144
Canada	3,960,117	—	—	3,960,117
China / Hong Kong	1,901,598	7,082,015	—	8,983,613
Indonesia	—	6,760,382	—	6,760,382
Philippines	—	2,000,629	—	2,000,629
Poland	—	455,364	—	455,364
South Africa	—	1,572,715	—	1,572,715
Thailand	—	2,068,723	—	2,068,723
United States	6,239,578	—	—	6,239,578
Total	$12,101,293	$27,061,972	$ —	$39,163,265

There were no transfers between levels during the period ended December 31, 2015.

See Notes to Financial Statements

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GLOBAL ALTERNATIVE ENERGY ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 99.5%		
Austria: 0.7%		
47,788	Verbund - Oesterreichische Elektrizis AG †	$615,677
Canada: 1.8%		
58,457	Canadian Solar, Inc. (USD) * †	1,692,915
China / Hong Kong: 11.3%		
1,331,000	China High Speed Transmission Equipment Group Co. Ltd. * #	1,065,331
4,355,000	China Longyuan Power Group Corp. Ltd. #	3,274,828
460,000	Dongfang Electric Corp. Machinery Co. Ltd. #	466,175
14,683,000	GCL-Poly Energy Holdings Ltd. #	2,183,091
41,434	JinkoSolar Holding Co. Ltd. (ADR) * †	1,146,479
93,150	Trina Solar Ltd. (ADR) * †	1,026,513
623,600	Xinjiang Goldwind Science & Technology Co. Ltd. † #	1,188,910
		10,351,327
Denmark: 9.9%		
130,159	Vestas Wind Systems A/S #	9,086,708
Germany: 4.1%		
84,224	Nordex SE * #	2,956,895
14,789	SMA Solar Technology AG * † #	817,517
		3,774,412
Italy: 4.8%		
2,163,607	Enel Green Power SpA #	4,395,858
Japan: 3.4%		
151,304	Kurita Water Industries Ltd. #	3,165,889
Philippines: 1.9%		
12,963,400	Energy Development Corp. #	1,702,728
Spain: 7.9%		
273,780	EDP Renovaveis SA #	2,152,559
298,633	Gamesa Corp. Tecnologica SA #	5,110,469
		7,263,028
United States: 53.7%		
163,392	Covanta Holding Corp. †	2,530,942
141,915	Cree, Inc. * †	3,784,873
165,845	Eaton Corp. Plc	8,630,574
61,017	EnerSys, Inc.	3,412,681
103,801	First Solar, Inc. *	6,849,828
49,618	Green Plains Renewable Energy, Inc.	1,136,252
51,425	Itron, Inc. *	1,860,556

38,667	Power Integrations, Inc.	1,880,376
85,391	Solarcity Corp. * †	4,356,649
431,940	SunEdison, Inc. * †	2,198,574
80,266	Sunpower Corp. * †	2,408,783
38,082	Tesla Motors, Inc. * †	9,140,061
56,687	Veeco Instruments, Inc. *	1,165,485
		49,355,634
Total Common Stocks (Cost: $97,794,790)		91,404,176
RIGHTS: 0.0% (Cost: $0)		
China / Hong Kong: 0.0%		
2,936,600	GCL-Poly Energy Holdings Ltd. Rights (HKD 1.12, expiring 01/20/16) * # §	11,367

Number of Shares		Value
MONEY MARKET FUND: 0.1% (Cost: $96,268)		
96,268	Dreyfus Government Cash Management Fund	$96,268
Total Investments Before Collateral for Securities Loaned: 99.6% (Cost: $97,891,058)		91,511,811

Principal Amount		
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 25.0%		
Repurchase Agreements: 25.0%		
$5,449,371	Repurchase agreement dated 12/31/15 with Citigroup Global Markets, Inc., 0.34%, due 1/4/16, proceeds $5,449,577; (collateralized by various U.S. government and agency obligations, 0.00% to 11.50%, due 1/15/16 to 4/1/51, valued at $5,558,359 including accrued interest)	5,449,371
5,449,371	Repurchase agreement dated 12/31/15 with HSBC Securities USA, Inc., 0.28%, due 1/4/16, proceeds $5,449,541; (collateralized by various U.S. government and agency obligations, 0.00% to 7.25%, due 1/15/16 to 11/15/43, valued at $5,558,374 including accrued interest)	5,449,371
1,147,012	Repurchase agreement dated 12/31/15 with JP Morgan Securities LLC, 0.32%, due 1/4/16, proceeds $1,147,053; (collateralized by various U.S. government and agency obligations, 0.00% to 2.00%, due 4/28/16 to 2/15/25, valued at $1,169,964 including accrued interest)	1,147,012
5,449,371	Repurchase agreement dated 12/31/15 with Merrill Lynch, Pierce, Fenner & Smith, Inc., 0.31%, due 1/4/16, proceeds $5,449,559; (collateralized by various U.S. government and agency obligations, 3.00% to 4.50%, due 11/15/42 to 2/20/45, valued at $5,558,358 including accrued interest)	5,449,371
5,449,371	Repurchase agreement dated 12/31/15 with Mizuho Securities USA, Inc., 0.30%, due 1/4/16, proceeds $5,449,553; (collateralized by various U.S. government and agency obligations, 0.00% to 9.00%, due 6/13/16 to 3/1/44, valued at $5,558,358 including accrued interest)	5,449,371
Total Short-Term Investments Held as Collateral for Securities Loaned (Cost: $22,944,496)		22,944,496
		114,456,307

Total Investments: 124.6%	
(Cost: $120,835,554)	
Liabilities in excess of other assets: (24.6)%	(22,599,472)
NET ASSETS: 100.0%	$91,856,835

See Notes to Financial Statements

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ADR American Depositary Receipt
HKD Hong Kong Dollar
USD United States Dollar
* Non-income producing
† Security fully or partially on loan. Total market value of securities on loan is $22,244,345.
\# Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $37,578,325 which represents 40.9% of net assets.
§ Illiquid Security — the aggregate value of illiquid securities is $11,367 which represents 0.0% of net assets.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments	Value
Consumer Discretionary	10.0 %	$9,140,061
Energy	1.2	1,136,252
Industrials	45.9	41,971,223
Information Technology	29.5	27,026,357
Utilities	13.3	12,141,650
Money Market Fund	0.1	96,268
	100.0 %	$91,511,811

The summary of inputs used to value the Fund's investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Common Stocks				
Austria	$615,677	$—	$ —	$615,677
Canada	1,692,915	—	—	1,692,915
China / Hong Kong	2,172,992	8,178,335	—	10,351,327
Denmark	—	9,086,708	—	9,086,708
Germany	—	3,774,412	—	3,774,412
Italy	—	4,395,858	—	4,395,858
Japan	—	3,165,889	—	3,165,889
Philippines	—	1,702,728	—	1,702,728
Spain	—	7,263,028	—	7,263,028
United States	49,355,634	—	—	49,355,634
Rights				
China / Hong Kong	—	11,367	—	11,367
Money Market Fund	96,268	—	—	96,268
Repurchase Agreements	—	22,944,496	—	22,944,496

Total	$53,933,486	$60,522,821	$ —	$114,456,307

During the period ended December 31, 2015, transfers of securities from Level 2 to Level 1 were $ 867,504. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities' primary market (Level 1) and valuation by a pricing service (Level 2), which takes into account market direction or events occurring before the Fund's pricing time but after the last local close, as described in the Notes to Financial Statements.

See Notes to Financial Statements

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GOLD MINERS ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 100.0%		
Australia: 12.6%		
94,861,323	Evolution Mining Ltd. ‡ #	$96,237,854
25,261,313	Newcrest Mining Ltd. * #	238,650,924
39,020,164	Northern Star Resources Ltd. ‡ #	79,223,331
39,240,747	OceanaGold Corp. ‡ † #	76,440,254
32,553,516	Regis Resources Ltd. ‡ #	55,027,961
		545,580,324
Canada: 50.2%		
7,987,796	Agnico-Eagle Mines Ltd. (USD)	209,919,279
16,692,568	Alamos Gold, Inc. (USD) ‡	54,918,549
60,277,905	B2GOLD Corp. (USD) ‡ * †	61,483,463
35,325,086	Barrick Gold Corp. (USD)	260,699,135
15,384,292	Centerra Gold, Inc. ‡	72,984,295
11,110,808	Detour Gold Corp. ‡ *	115,259,336
46,599,970	Eldorado Gold Corp. (USD) ‡	138,401,911
4,745,243	Franco-Nevada Corp. (USD) †	217,094,867
25,178,191	Goldcorp, Inc. (USD)	291,059,888
25,453,452	IAMGOLD Corp. (USD) ‡ * †	36,143,902
74,554,789	Kinross Gold Corp. (USD) ‡ *	135,689,716
33,111,210	New Gold, Inc. (USD) ‡ *	76,818,007
6,137,732	Osisko Gold Royalties Ltd. ‡	60,400,833
9,863,076	Pan American Silver Corp. (USD) ‡ †	64,109,994
19,136,894	Semafo, Inc. ‡ *	48,355,408
16,728,527	Silver Wheaton Corp. (USD)	207,768,305
61,559,087	Yamana Gold, Inc. (USD) ‡	114,499,902
		2,165,606,790
China / Hong Kong: 4.0%		
1,727,559,000	G-Resources Group Ltd. ‡ #	41,016,138
56,862,500	Zhaojin Mining Industry Co. Ltd. ‡ † #	32,224,294
375,152,000	Zijin Mining Group Ltd. ‡ † #	98,209,214
		171,449,646
Peru: 1.6%		
16,578,310	Cia de Minas Buenaventura SA (ADR) ‡	70,955,167
South Africa: 9.7%		
26,458,275	AngloGold Ashanti Ltd. (ADR) ‡ *	187,853,752
50,602,427	Gold Fields Ltd. (ADR) ‡	140,168,723
14,894,302	Sibanye Gold Ltd. (ADR) ‡	90,706,299

		418,728,774
United Kingdom: 6.8%		
74,922,069	Cenatamin Plc ‡ #	70,939,054
3,568,568	Randgold Resources Ltd. (ADR) †	221,001,416
		291,940,470
United States: 15.1%		
18,937,269	Alacer Gold Corp. (CAD) ‡ *	33,672,921
24,588,881	Hecla Mining Co. ‡	46,472,985
16,046,672	Newmont Mining Corp.	288,679,629
4,268,751	Royal Gold, Inc. ‡	155,681,349
14,771,859	Tahoe Resources, Inc. ‡ †	128,072,018
		652,578,902
Total Common Stocks (Cost: $8,040,057,876)		4,316,840,073
MONEY MARKET FUND: 0.1% (Cost: $2,004,786)		
2,004,786	Dreyfus Government Cash Management Fund	2,004,786
Total Investments Before Collateral for Securities Loaned: 100.1% (Cost: $8,042,062,662)		4,318,844,859

Principal Amount		**Value**
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 1.7%		
Repurchase Agreements: 1.7%		
$17,785,221	Repurchase agreement dated 12/31/15 with Citigroup Global Markets, Inc., 0.34%, due 1/4/16, proceeds $17,785,893; (collateralized by various U.S. government and agency obligations, 0.00% to 11.50%, due 1/15/16 to 4/1/51, valued at $18,140,926 including accrued interest)	$17,785,221
17,785,221	Repurchase agreement dated 12/31/15 with Daiwa Capital Markets America, Inc., 0.35%, due 1/4/16, proceeds $17,785,913; (collateralized by various U.S. government and agency obligations, 0.00% to 7.50%, due 1/21/16 to 2/1/49, valued at $18,140,926 including accrued interest)	17,785,221
17,785,221	Repurchase agreement dated 12/31/15 with HSBC Securities USA, Inc., 0.28%, due 1/4/16, proceeds $17,785,774; (collateralized by various U.S. government and agency obligations, 0.00% to 7.25%, due 1/15/16 to 11/15/43, valued at $18,140,976 including accrued interest)	17,785,221
3,743,626	Repurchase agreement dated 12/31/15 with JP Morgan Securities LLC, 0.32%, due 1/4/16, proceeds $3,743,759; (collateralized by various U.S. government and agency obligations, 0.00% to 2.00%, due 4/28/16 to 2/15/25, valued at $3,818,538 including accrued interest)	3,743,626
17,785,221	Repurchase agreement dated 12/31/15 with Nomura Securities International, Inc., 0.33%, due 1/4/16, proceeds $17,785,873; (collateralized by various U.S. government and agency obligations, 0.00% to 10.50%, due 1/15/16 to 10/20/65, valued at $18,140,926 including accrued interest)	17,785,221
Total Short-Term Investments Held as Collateral for Securities Loaned (Cost: $74,884,510)		74,884,510
Total Investments: 101.8% (Cost: $8,116,947,172)		4,393,729,369
Liabilities in excess of other assets: (1.8)%		(77,011,592)

NET ASSETS: 100.0%	$4,316,717,777

See Notes to Financial Statements

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ADR American Depositary Receipt
CAD Canadian Dollar
USD United States Dollar
‡ Affiliated issuer – as defined under the Investment Company Act of 1940.
* Non-income producing
† Security fully or partially on loan. Total market value of securities on loan is $67,010,415.
# Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $787,969,024 which represents 18.3% of net assets.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments		**Value**
Gold	89.6	%	$3,870,416,771
Precious Metals & Minerals	3.0		128,072,018
Silver	7.4		318,351,284
Money Market Fund	0.0		2,004,786
	100.0	%	$4,318,844,859

A summary of the Fund’s transactions in securities of affiliates for the period ended December 31, 2015 is set forth below:

Affiliates	Value **12/31/14**	**Purchases**	Sales **Proceeds**		Realized Gain **(Loss)**		Dividend **Income**	Value **12/31/15**
Alacer Gold Corp.	$35,854,750	$26,627,860	$(23,514,775	)	$(1,273,356	)	$—	$33,672,921
Alamos Gold, Inc.	55,054,167	142,814,478	(84,714,345	)	(68,753,849	)	5,903,849	54,918,549
AngloGold Ashanti Ltd.	213,905,978	156,038,844	(132,414,665	)	(113,276,818	)	—	187,853,752
AuRico Gold, Inc.	49,623,717	24,089,509	(66,753,222	)	(32,125,021	)	584,927	—
B2GOLD Corp.	90,268,950	60,894,804	(47,678,766	)	(11,840,929	)	—	61,483,463
Cenatamin Plc	64,162,567	46,143,768	(40,704,712	)	6,187,746		2,324,941	70,939,054
Centerra Gold, Inc.	74,741,382	54,135,499	(47,333,112	)	(389,006	)	2,007,360	72,984,295
Cia de Minas Buenaventura SA	159,759,741	101,083,785	(92,548,931	)	(80,067,815	)	—	70,955,167
Coeur d’Alene Mines Corp.	32,050,319	27,745,493	(38,447,592	)	(75,688,680	)	—	—

Detour Gold Corp.	78,405,696	79,241,022	(64,867,679)	6,493,162	—	115,259,336
Eldorado Gold Corp.	235,952,883	159,328,565	(106,777,220)	(77,930,707)	699,165	138,401,911
Evolution Mining Ltd.	—	108,686,958	(19,202,901)	223,821	458,518	96,237,854
First Majestic Silver Corp.	35,768,464	20,770,256	(39,371,805)	(70,732,304)	—	—
Gold Fields Ltd.	212,936,056	128,347,272	(95,377,923)	(56,039,396)	1,069,268	140,168,723
G-Resources Group Ltd.	38,016,881	32,621,987	(29,256,662)	1,494,828	1,183,885	41,016,138
Harmony Gold Mining Co. Ltd.	49,971,160	28,587,216	(41,144,163)	(120,337,650)	—	—
Hecla Mining Co.	62,161,127	44,523,021	(35,775,867)	(11,549,537)	251,480	46,472,985
IAMGOLD Corp.	61,699,863	36,617,605	(28,112,650)	(23,100,109)	—	36,143,902
Kinross Gold Corp.	195,679,481	117,846,356	(90,667,934)	(157,207,577)	—	135,689,716
New Gold, Inc.	131,532,502	70,928,401	(53,995,679)	(36,668,672)	—	76,818,007
Northern Star Resources Ltd.	—	109,126,786	(37,939,500)	518,891	1,534,483	79,223,331
OceanaGold Corp.	30,704,143	65,295,079	(21,362,805)	(416,738)	881,456	76,440,254
Osisko Gold Royalties Ltd.	—	114,497,220	(29,939,237)	(1,810,370)	613,545	60,400,833
Pan American Silver Corp.	84,506,674	57,209,909	(46,415,822)	(14,670,672)	2,886,828	64,109,994
Primero Mining Corp.	37,245,005	20,375,987	(43,282,112)	(41,180,820)	—	—
Regis Resources Ltd.	—	55,180,058	(359,982)	30,765	—	55,027,961
Rio Alto Mining Ltd.	48,992,680	11,084,553	(54,953,721)	546,229	—	—
Royal Gold, Inc.	231,210,200	144,929,103	(100,874,350)	(6,316,910)	2,966,948	155,681,349
Semafo, Inc.	43,279,325	38,015,515	(28,932,166)	(3,392,460)	—	48,355,408
Sibanye Gold Ltd.	103,070,198	75,378,317	(57,782,797)	3,946,494	3,691,178	90,706,299
Tahoe Resources, Inc.	—	234,635,539	(43,414,902)	(2,471,301)	1,782,562	128,072,018
Yamana Gold, Inc.	214,666,726	138,725,675	(99,323,720)	(115,991,993)	3,959,637	114,499,902
Zhaojin Mining	26,600,864	21,161,394	(18,791,385)	(1,242,915)	508,313	32,224,294

Industry Co. Ltd.						
Zijin Mining Group Ltd.	100,106,563	73,744,646	(69,911,785)	6,834,986	5,494,236	98,209,214
	$2,797,928,062	$2,626,432,480	$(1,831,944,887)	$(1,098,198,683)	$38,802,579	$2,381,966,630

See Notes to Financial Statements

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GOLD MINERS ETF

SCHEDULE OF INVESTMENTS

(continued)

The summary of inputs used to value the Fund's investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Common Stocks				
Australia	$—	$545,580,324	$ —	$545,580,324
Canada	2,165,606,790	—	—	2,165,606,790
China / Hong Kong	—	171,449,646	—	171,449,646
Peru	70,955,167	—	—	70,955,167
South Africa	418,728,774	—	—	418,728,774
United Kingdom	221,001,416	70,939,054	—	291,940,470
United States	652,578,902	—	—	652,578,902
Money Market Fund	2,004,786	—	—	2,004,786
Repurchase Agreements	—	74,884,510	—	74,884,510
Total	$3,530,875,835	$862,853,534	$ —	$4,393,729,369

There were no transfers between levels during the year ended December 31, 2015.

See Notes to Financial Statements

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JUNIOR GOLD MINERS ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 100.2%		
Australia: 21.8%		
56,657,178	Beadell Resources Ltd. ‡ † #	$5,792,241
62,310,832	Evolution Mining Ltd. #	63,215,024
15,008,486	Kingsgate Consolidated Ltd. ‡ * † #	4,038,167
35,243,162	Northern Star Resources Ltd. ‡ #	71,554,817
36,793,736	OceanaGold Corp. (CAD) ‡	69,926,904
26,305,156	Regis Resources Ltd. ‡ † #	44,465,829
25,938,221	Resolute Mining Ltd. * #	4,718,952
44,145,829	Saracen Mineral Holdings Ltd. ‡ * † #	19,708,944
		283,420,878
Canada: 57.0%		
16,055,666	Alamos Gold, Inc. (USD) ‡	52,823,141
8,413,338	Argonaut Gold, Inc. ‡ *	7,207,452
11,570,673	Asanko Gold, Inc. ‡ * †	16,909,125
50,045,948	B2Gold Corp. (USD) ‡ * †	51,046,867
6,028,059	Continental Gold, Inc. * †	6,813,082
6,216,613	Dundee Precious Metals, Inc. * †	5,728,360
7,234,294	Endeavour Silver Corp. (USD) ‡ * †	10,272,697
11,270,363	First Majestic Silver Corp. (USD) ‡ * †	36,854,087
8,172,422	Fortuna Silver Mines, Inc. (USD) ‡ *	18,387,950
6,859,504	Guyana Goldfields, Inc. * †	15,209,324
25,975,307	IAMGOLD Corp. (USD) ‡ * †	36,884,936
4,124,605	Kirkland Lake Gold, Inc. ‡ *	14,371,239
30,630,426	Lake Shore Gold Corp. ‡ *	24,696,622
2,751,774	MAG Silver Corp. * †	19,354,137
14,246,440	McEwen Mining, Inc. (USD) ‡ †	15,101,226
13,337,480	Novagold Resources, Inc. (USD) * †	56,150,791
5,471,610	Osisko Gold Royalties Ltd. ‡	53,845,590
8,203,576	Pan American Silver Corp. (USD) ‡ †	53,323,244
10,334,949	Premier Gold Mines Ltd. ‡ * †	19,641,686
7,169,133	Pretium Resources, Inc. (USD) * †	36,132,430
8,428,633	Primero Mining Corp. (USD) ‡ *	19,217,283
8,417,156	Sandstorm Gold Ltd. (USD) ‡ * †	22,137,120
3,018,946	Seabridge Gold, Inc. (USD) ‡ * †	25,027,062
16,162,136	Semafo, Inc. ‡ *	40,838,743
5,733,873	Silver Standard Resources, Inc. (USD) ‡ * †	29,701,462
11,220,218	Silvercorp Metals, Inc. ‡	5,331,037

3,539,254	Sulliden Mining Capital, Inc. ‡ *	636,969
21,529,365	Teranga Gold Corp. ‡ *	7,594,406
44,336,364	Torex Gold Resources, Inc. ‡ *	40,215,837
		741,453,905
Cayman Islands: 1.6%		
3,872,051	Endeavour Mining Corp. (CAD) ‡ *	21,268,267
China / Hong Kong: 5.0%		
18,445,485	China Gold International Resources Corp. Ltd. (CAD) * †	27,619,760
286,272,000	China Precious Metal Resources Holdings Co. Ltd. ‡ * † #	10,849,757
1,134,741,000	G-Resources Group Ltd. #	26,941,305
19,287,400	Real Gold Mining Ltd. * # §	—
		65,410,822
South Africa: 1.5%		
20,324,225	Harmony Gold Mining Co. Ltd. (USD) *	18,881,205
Turkey: 1.1%		
3,489,818	Koza Altin Isletmeleri AS #	14,691,136

Number of Shares		Value
United Kingdom: 5.0%		
59,760,420	Cenatamin Plc ‡ #	$56,583,430
8,682,794	Highland Gold Mining Ltd.	7,294,616
38,603,767	Patagonia Gold Plc *	995,717
		64,873,763
United States: 7.2%		
14,438,602	Alacer Gold Corp. (CAD) ‡ * †	25,673,707
7,849,163	Coeur d'Alene Mines Corp. ‡ * †	19,465,924
3,884,848	Gold Resource Corp. ‡ †	6,448,848
21,920,306	Hecla Mining Co. ‡	41,429,378
71,691	Paramount Gold Nevada Corp. * †	74,559
		93,092,416
Total Common Stocks (Cost: $1,761,867,693)		1,303,092,392

Principal Amount		
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 4.8%		
Repurchase Agreements: 4.8%		
$15,023,603	Repurchase agreement dated 12/31/15 with Citigroup Global Markets, Inc., 0.34%, due 1/4/16, proceeds $15,024,171; (collateralized by various U.S. government and agency obligations, 0.00% to 11.50%, due 1/15/16 to 4/1/51, valued at $ 15,324,075 including accrued interest)	15,023,603
15,023,603	Repurchase agreement dated 12/31/15 with Daiwa Capital Markets America, Inc., 0.35%, due 1/4/16, proceeds $15,024,187; (collateralized by various U.S. government and agency obligations, 0.00% to 7.50%, due 1/21/16 to 2/1/49, valued at $ 15,324,075 including accrued interest)	15,023,603
15,023,603	Repurchase agreement dated 12/31/15 with HSBC Securities USA, Inc., 0.28%, due 1/4/16, proceeds $15,024,070; (collateralized by various U.S. government and agency	15,023,603

	obligations, 0.00% to 7.25%, due 1/15/16 to 11/15/43, valued at $ 15,324,118 including accrued interest)	
3,162,280	Repurchase agreement dated 12/31/15 with JP Morgan Securities LLC, 0.32%, due 1/4/16, proceeds $3,162,392; (collateralized by various U.S. government and agency obligations, 0.00% to 2.00%, due 4/28/16 to 2/15/25, valued at $ 3,225,559 including accrued interest)	3,162,280

See Notes to Financial Statements

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JUNIOR GOLD MINERS ETF

SCHEDULE OF INVESTMENTS

(continued)

Principal Amount		Value
Repurchase Agreements: (continued)		
$15,023,603	Repurchase agreement dated 12/31/15 with Nomura Securities International, Inc., 0.33%, due 1/4/16, proceeds $15,024,154; (collateralized by various U.S. government and agency obligations, 0.00% to 10.50%, due 1/15/16 to 10/20/65, valued at $ 15,324,075 including accrued interest)	$15,023,603
Total Short-Term Investments Held as Collateral for Securities Loaned (Cost: $63,256,692)		63,256,692
Total Investments: 105.0% (Cost: $1,825,124,385)		1,366,349,084
Liabilities in excess of other assets: (5.0)%		(65,667,634)
NET ASSETS: 100.0%		$1,300,681,450

CAD Canadian Dollar
USD United States Dollar
‡ Affiliated issuer — as defined under the Investment Company Act of 1940.
* Non-income producing
† Security fully or partially on loan. Total market value of securities on loan is $58,372,818.
# Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $322,559,602 which represents 24.8% of net assets.
§ Illiquid Security — the aggregate value of illiquid securities is $0 which represents 0.0% of net assets.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments	Value
Gold	42.3 %	$551,740,749
Materials	52.6	685,299,270
Precious Metals & Minerals	0.5	6,724,077
Silver	4.6	59,328,296
	100.0 %	$1,303,092,392

A summary of the Fund’s transactions in securities of affiliates for the period ended December 31, 2015 is set forth below:

Affiliates	Value 12/31/14		Purchases	Sales Proceeds	Realized Gain (Loss)	Dividend Income	Value 12/31/15	
Alacer Gold Corp.	$30,975,520		$16,049,961	$(17,587,512)	$181,085	$—	$—	(b)
Alamos Gold, Inc.	52,094,504		116,613,998	(66,680,259)	(17,821,302)	4,432,364	52,823,141	
Allied Nevada Gold Corp.	6,202,778		1,000,254	(1,000,076)	(28,088,934)	—	—	
Argonaut Gold, Inc.	15,455,253		5,674,580	(7,404,921)	(12,371,412)	—	7,207,452	
Asanko Gold, Inc.	17,401,087		10,602,017	(9,812,143)	(2,257,895)	—	16,909,125	
AuRico Gold, Inc.	58,337,962		10,931,870	(63,000,919)	(6,166,827)	607,291	—	
B2Gold Corp.	—		56,425,004	—	—	—	51,046,867	
Beadell Resources Ltd.	8,822,317		4,357,914	(2,653,280)	(2,344,961)	434,263	5,792,241	
Cenatamin Plc	80,951,255		25,854,862	(48,891,594)	(2,460,325)	1,895,700	56,583,430	
China Precious Metal Resources Holdings Co. Ltd.	—	(a)	9,617,185	(7,561,025)	(4,040,625)	—	10,849,757	
Coeur d'Alene Mines Corp.	33,543,936		15,880,356	(16,662,821)	(3,077,183)	—	19,465,924	
Continental Gold Inc.	11,300,658		18,336,453	(20,145,613)	(12,140,564)	—	—	(b)
DRDGOLD Ltd.	5,192,261		1,949,181	(6,639,659)	(6,305,775)	—	—	
Endeavour Mining Corp.	11,464,177		9,902,486	(6,127,797)	(1,895,727)	—	21,268,267	
Endeavour Silver Corp.	16,274,609		5,833,902	(6,287,719)	(5,698,787)	—	10,272,697	
First Majestic Silver Corp.	48,717,167		26,898,960	(24,657,710)	(833,283)	—	36,854,087	
Fortuna Silver Mines, Inc.	31,743,506		11,414,112	(7,604,924)	(1,002,003)	—	18,387,950	
Gold Resource Corp.	12,415,889		5,471,924	(5,171,403)	(2,284,408)	414,985	6,448,848	
Great Panther Silver Ltd.	6,415,211		1,178,718	(4,375,030)	(8,824,585)	—	—	
Harmony Gold Mining Co. Ltd.	47,284,787		15,672,984	(16,895,932)	(10,611,866)	—	—	(b)
Hecla Mining Co.	75,112,771		23,361,392	(41,657,797)	1,654,072	229,859	41,429,378	
IAMGOLD Corp.	84,036,193		23,270,653	(32,049,939)	(8,170,828)	—	36,884,936	
Kingsgate Consolidated Ltd.	8,402,461		3,004,726	(3,537,387)	(1,307,634)	—	4,038,167	
Kirkland Lake Gold, Inc.	10,691,953		10,801,242	(9,642,320)	867,124	—	14,371,239	
Lake Shore Gold Corp.	21,023,120		10,941,877	(13,275,518)	1,803,188	—	24,696,622	
McEwen Mining, Inc.	15,121,820		6,874,244	(5,629,394)	(4,173,612)	63,925	15,101,226	
Medusa Mining Ltd.	6,717,260		3,371,047	(6,835,381)	(18,704,742)	—	—	

See Notes to Financial Statements

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Affiliates (continued)	Value 12/31/14	Purchases	Sales Proceeds	Realized Gain (Loss)	Dividend Income	Value 12/31/15	
Midway Gold Corp.	$8,325,992	$1,320,460	$(1,098,946)	$(11,196,134)	$—	$—	
Northern Star Resources Ltd.	47,886,864	24,699,726	(34,345,320)	11,446,472	1,310,354	71,554,817	
OceanaGold Corp.	38,366,189	21,237,578	(24,271,331)	(3,174,070)	949,827	69,926,904	
Osisko Gold Royalties Ltd.	—	117,928,307	(46,599,588)	(126,360)	522,755	53,845,590	
Pan American Silver Corp.	—	90,501,942	(14,772,566)	(3,619,025)	795,930	53,323,244	
Paramount Gold and Silver Corp.	10,774,185	1,839,139	(4,531,870)	(1,428,645)	712,041	—	
Perseus Mining Ltd.	7,266,429	2,831,930	(10,993,114)	(7,052,077)	—	—	
Premier Gold Mines Ltd.	17,606,006	8,224,272	(9,277,226)	(1,660,044)	—	19,641,686	
Pretium Resources, Inc.	42,922,393	27,093,402	(27,129,733)	(2,270,910)	—	—	(b)
Primero Mining Corp.	34,708,865	13,310,728	(17,034,421)	(6,344,155)	—	19,217,283	
Regis Resources Ltd.	49,556,231	18,538,407	(21,151,813)	(6,046,784)	1,162,772	44,465,829	
Rio Alto Mining Ltd.	54,084,299	7,787,369	(63,615,488)	870,671	—	—	
Romarco Minerals, Inc.	17,003,244	29,952,699	(16,546,548)	(9,865,722)	—	—	
Rubicon Minerals Corp.	22,806,787	6,491,936	(9,515,741)	(30,243,703)	—	—	
Sandstorm Gold Ltd.	25,036,203	11,631,736	(8,242,910)	(3,071,194)	—	22,137,120	
Saracen Mineral Holdings Ltd.	10,229,869	6,281,655	(8,475,295)	903,222	—	19,708,944	
Seabridge Gold, Inc.	21,592,909	11,294,605	(8,262,442)	(2,803,589)	—	25,027,062	
Semafo, Inc.	42,813,604	17,305,901	(17,924,478)	(349,713)	—	40,838,743	
Silver Lake Resources Ltd.	5,853,241	1,259,031	(5,116,450)	(13,500,851)	—	—	
Silver Standard Resources, Inc.	26,700,369	16,935,064	(16,162,262)	990,503	—	29,701,462	
Silvercorp Metals, Inc.	16,413,426	4,931,714	(6,303,801)	(7,151,075)	96,459	5,331,037	
Sulliden Mining Capital, Inc.	1,283,390	—	—	—	—	636,969	
	4,856,646	556,257	(4,297,671)	(14,311,347)	—	—	

Tanzanian Royalty Exploration Corp.						
Teranga Gold Corp.	8,191,876	4,488,583	(4,871,838)	(261,102)	—	7,594,406
Timmins Gold Corp.	9,526,798	8,209,718	(5,617,140)	(17,747,388)	—	—
Torex Gold Resources, Inc.	50,726,173	18,026,501	(18,328,616)	(8,072,193)	—	40,215,837
Troy Resources Ltd.	4,469,637	2,112,998	(6,223,745)	(9,773,194)	—	—
	$1,294,700,080	$926,083,560	$(862,498,426)	$(301,936,216)	$13,628,525	$973,598,287

(a) Security held by the Fund, however not classified as an affiliate at the beginning of the reporting period.

(b) Security held by the Fund, however not classified as an affiliate at the end of the reporting period.

The summary of inputs used to value the Fund’s investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Common Stocks				
Australia	$69,926,904	$213,493,974	$ —	$283,420,878
Canada	741,453,905	—	—	741,453,905
Cayman Islands	21,268,267	—	—	21,268,267
China / Hong Kong	27,619,760	37,791,062	0	65,410,822
South Africa	18,881,205	—	—	18,881,205
Turkey	—	14,691,136	—	14,691,136
United Kingdom	8,290,333	56,583,430	—	64,873,763
United States	93,092,416	—	—	93,092,416
Repurchase Agreements	—	63,256,692	—	63,256,692
Total	$980,532,790	$385,816,294	$ 0	$1,366,349,084

During the period ended December 31, 2015, transfers of securities from Level 2 to Level 1 were $6,439,772. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities’ primary market (Level 1) and valuation by a pricing service (Level 2), which takes into account market direction or events occurring before the Fund’s pricing time but after the last local close, as described in the Notes to Financial Statements.

See Notes to Financial Statements

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JUNIOR GOLD MINERS ETF

SCHEDULE OF INVESTMENTS

(continued)

The following table reconciles the valuation of the Fund's Level 3 investment securities and related transactions during the period ended December 31, 2015:

	Common Stocks China / Hong Kong
Balance as of December 31, 2014	$3,039,646
Realized gain (loss)	—
Change in unrealized appreciation (depreciation)	(3,039,646)
Purchases	—
Sales	—
Transfers in and/or out of level 3	—
Balance as of December 31, 2015	$0

See Notes to Financial Statements

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NATURAL RESOURCES ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 100.4%		
Argentina: 0.1%		
2,564	Cresud S.A.C.I.F. y A (ADR) *	$33,076
2,969	YPF SA (ADR)	46,673
		79,749
Australia: 3.9%		
78,795	Alumina Ltd. † #	65,654
13,056	Bega Cheese Ltd. #	69,967
102,281	BHP Billiton Ltd. #	1,314,234
18,014	BlueScope Steel Ltd. #	57,419
4,159	Caltex Australia Ltd. #	113,502
54,224	Fortescue Metals Group Ltd. † #	72,856
15,818	GrainCorp. Ltd. #	98,634
13,337	Iluka Resources Ltd. #	58,902
50,737	Newcrest Mining Ltd. * #	479,327
18,021	Oil Search Ltd. #	87,576
26,862	Origin Energy Ltd. #	90,723
23,095	Santos Ltd. #	61,416
6,146	Select Harvests Ltd. #	37,786
169,595	South32 Ltd. * #	130,078
10,915	Woodside Petroleum Ltd. #	227,044
		2,965,118
Austria: 0.3%		
2,168	OMV AG #	61,514
4,315	Verbund – Oesterreichische Elektrizis AG †	55,592
3,462	Voestalpine AG #	105,852
		222,958
Brazil: 0.6%		
11,549	Cia de Saneamento Basico do Estado de Sao Paulo (ADR)	53,125
22,112	Cia Siderurgica Nacional SA (ADR)	21,579
5,350	Fibria Celulose SA	70,170
28,489	Gerdau SA (ADR)	34,187
22,932	Petroleo Brasileiro SA (ADR) * †	98,608
4,150	SLC Agricola SA	17,256
48,192	Vale SA (ADR) †	158,552
		453,477
Canada: 10.1%		
14,469	Agnico-Eagle Mines Ltd. (USD)	380,245
11,970	Agrium, Inc. (USD)	1,069,400
5,316	ARC Resources Ltd.	63,910

61,610	B2Gold Corp. *	62,093
77,423	Barrick Gold Corp. (USD)	571,382
12,615	Cameco Corp. (USD)	155,543
16,862	Canadian Natural Resources Ltd. (USD) †	368,097
1,411	Canadian Solar, Inc. (USD) * †	40,863
1,804	Canfor Corp. *	26,220
10,541	Centerra Gold, Inc.	50,007
11,356	Detour Gold Corp. *	117,803
1,512	Domtar Corp. (USD)	55,868
47,630	Eldorado Gold Corp. (USD)	141,461
13,307	Enbridge, Inc. (USD)	441,659
13,029	EnCana Corp. (USD)	66,318
21,969	First Quantum Minerals Ltd.	81,923
55,184	Goldcorp, Inc. (USD)	637,927
4,549	Husky Energy, Inc.	46,862
3,917	Imperial Oil Ltd. (USD)	127,381
76,204	Kinross Gold Corp. (USD) *	138,691

Number of Shares		Value
Canada: (continued)		
19,954	Lundin Mining Corp. *	$54,586
16,228	New Gold, Inc. *	37,617
10,081	Pan American Silver Corp. (USD)	65,527
72,335	Potash Corp. of Saskatchewan, Inc. (USD)	1,238,375
26,842	Silver Wheaton Corp. (USD)	333,378
22,271	Suncor Energy, Inc.	574,592
14,814	Teck Cominco Ltd. (USD) †	57,182
2,863	Tourmaline Oil Corp. *	46,064
10,923	TransCanada Corp. (USD)	355,981
65,541	Turquoise Hill Resources Ltd. *	165,610
1,621	West Fraser Timber Co. Ltd.	61,300
62,921	Yamana Gold, Inc. (USD)	117,033
		7,750,898
Chile: 0.3%		
89,133	Aguas Andinas SA	45,734
12,253	Antofagasta Plc (GBP) #	84,269
29,045	Empresas CMPC SA	62,669
12,075	Inversiones Aguas Metropolitanas SA	17,029
		209,701
China / Hong Kong: 2.0%		
34,800	Angang New Steel Co. Ltd. #	14,001
191,314	China Agri-Industries Holdings Ltd. * #	65,264
63,700	China Coal Energy Co. Ltd. #	24,325
33,200	China Gas Holdings Ltd. #	47,704
42,600	China Hongqiao Group Ltd. #	25,229
248,200	China Modern Dairy Holdings Ltd. #	64,128
115,800	China Molybdenum Co. Ltd. (Class H) #	21,536
28,600	China Oilfield Services Ltd. (Class H) #	24,576
392,227	China Petroleum & Chemical Corp. #	235,539
52,491	China Shenhua Energy Co. Ltd. #	81,964

247,279	CNOOC Ltd. #	257,359
11,400	Dongfang Electric Corp. Machinery Co. Ltd. #	11,553
76,900	Fosun International Ltd. #	119,493
63,000	Huaneng Power International, Inc. #	53,946
40,700	Jiangxi Copper Co. Ltd. (Class H) #	48,038
52,100	Kunlun Energy Co. Ltd. #	46,260
41,300	Lee & Man Paper Manufacturing Ltd. #	22,972
54,600	Maanshan Iron and Steel Co. Ltd. (Class H) * † #	11,629
40,457	Nine Dragons Paper Holdings Ltd. #	23,757
324,640	PetroChina Co. Ltd. (Class-H) #	212,520
10,800	Tianjin Capital Environmental Protection Group Co. Ltd. #	8,352
28,500	Yanzhou Coal Mining Co. Ltd. #	13,215
57,900	Zhaojin Mining Industry Co. Ltd. † #	32,812
384,161	Zijin Mining Group Ltd. † #	100,568
		1,566,740
Denmark: 0.7%		
7,573	Vestas Wind Systems A/S #	528,689
Finland: 0.3%		
1,975	Neste Oil Oyj † #	58,921
9,801	Outokumpu Oyj * † #	28,699
13,704	Stora Enso Oyj (R Shares) #	123,862
		211,482

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NATURAL RESOURCES ETF

SCHEDULE OF INVESTMENTS

(continued)

Number of Shares		Value
France: 3.1%		
12,050	Suez Environnement Co. #	$225,282
1,796	Technip SA #	89,279
37,569	Total SA #	1,683,573
16,344	Veolia Environnement SA #	387,613
		2,385,747
Germany: 0.7%		
1,074	Aurubis AG #	54,361
1,128	BayWa AG #	34,717
166	KWS Saat AG	49,950
2,105	Nordex SE * #	73,901
1,226	Salzgitter AG #	29,948
13,890	ThyssenKrupp AG #	275,233
		518,110
Hungary: 0.1%		
983	MOL Hungarian Oil & Gas Plc #	47,828
India: 0.5%		
12,185	Reliance Industries Ltd. (GDR) # Reg S 144A	371,858
2,043	Vedanta Resources Plc (GBP) #	8,228
		380,086
Indonesia: 0.1%		
27,344	Astra Agro Lestari Tbk PT #	31,169
242,400	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT #	22,967
		54,136
Ireland: 0.2%		
5,646	Smurfit Kappa Group Plc #	145,244
Italy: 0.8%		
41,433	ENI SpA #	615,365
3,876	Saipem SpA * † #	31,316
		646,681
Japan: 4.2%		
9,700	Calbee, Inc. #	409,281
13,000	Daido Steel Co. #	51,917
3,100	Daio Paper Corp. † #	26,562
9,800	Dowa Holdings Co. Ltd. † #	70,405
6,617	Hitachi Metals Ltd. † #	81,574
3,700	Hokuetsu Kishu Paper Co. Ltd. #	21,786
16,700	Inpex Holdings, Inc. #	162,671
18,364	JFE Holdings, Inc. † #	288,119
38,500	JX Holdings, Inc. #	161,453

116,535	Kobe Steel Ltd. #	126,512
3,865	Kurita Water Industries Ltd. † #	80,871
42,029	Mitsubishi Materials Corp. #	132,267
2,700	Nippon Paper Industries #	43,639
30,200	Nippon Steel Corp. † #	596,931
24,014	Nippon Suisan Kaisha Ltd. #	134,285
23,250	Nisshin Seifun Group, Inc. #	379,462
23,776	OJI Paper Co. Ltd. #	95,476
5,870	Rengo Co. Ltd. † #	25,075
4,083	Sumitomo Forestry Co. Ltd. #	55,047
17,423	Sumitomo Metal Mining Ltd. † #	211,321
4,900	TonenGeneral Sekiyu KK #	41,331
1,500	Yamato Kogyo Co. Ltd. #	38,215
		3,234,200

Number of Shares		Value
Luxembourg: 0.5%		
8,914	Adecoagro SA (USD) *	$109,553
32,377	ArcelorMittal † #	136,549
3,637	Tenaris SA (ADR)	86,561
1,502	Ternium SA (ADR)	18,670
		351,333
Malaysia: 0.7%		
18,851	Genting Plantation Bhd	46,540
246,194	IOI Corp. Bhd #	254,979
35,978	Kuala Lumpur Kepong Bhd #	191,362
44,400	Kulim Malaysia Bhd #	38,922
4,600	Petronas Dagangan Bhd #	26,655
		558,458
Mexico: 0.8%		
17,250	Gruma, SAB de CV	241,454
136,464	Grupo Mexico, SAB de CV	290,688
8,187	Industrias Penoles, SAB de CV	84,007
		616,149
Netherlands: 1.2%		
652	Core Laboratories NV (USD) †	70,898
37,799	Royal Dutch Shell Plc (GBP) #	861,299
		932,197
Norway: 1.9%		
29,631	Marine Harvest ASA #	398,693
43,522	Norsk Hydro ASA #	161,781
16,210	Statoil ASA #	226,085
15,251	Yara International ASA #	655,941
		1,442,500
Peru: 0.3%		
12,275	Cia de Minas Buenaventura SA (ADR)	52,537
5,921	Southern Copper Corp. (USD) †	154,657
		207,194
Poland: 0.2%		
4,334	KGHM Polska Miedz SA #	69,443

4,743	Polski Koncern Naftowy Orlen SA † #	81,104
25,451	Polskie Gornictwo Naftowe I Gazownictwo SA #	32,997
		183,544
Portugal: 0.1%		
6,415	Galp Energia, SGPS, SA #	74,824
4,432	Portucel-Empresa Productora de Pasta e Papel SA #	17,230
		92,054
Russia: 1.9%		
8,642	Evraz Plc (GBP) * #	9,321
7,469	Lukoil PJSC (ADR) #	241,782
3,560	Magnitogorsk Iron & Steel Works (GDR) # Reg S	11,880
21,183	MMC Norilsk Nickel PJSC (ADR) #	268,447
1,075	Novatek OAO (GDR) # Reg S	88,542
2,674	Novolipetsk Steel (GDR) # Reg S	22,756
93,002	OAO Gazprom (ADR) #	345,804
7,067	PhosAgro OAO (GDR) # Reg S	90,641
15,664	Polymetal International (GBP) #	134,005
16,327	Rosneft Oil Co. (GDR) # Reg S	56,913
5,606	Severstal OAO (GDR) # Reg S	46,838
14,860	Surgutneftegas OJSC (ADR) #	68,925
3,691	Tatneft PAO (ADR) #	97,617
		1,483,471

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Number of Shares		Value
Singapore: 0.8%		
595,619	Golden Agri-Resources Ltd. #	$142,196
45,700	Olam International Ltd. #	58,531
213,564	Wilmar International Ltd. #	440,420
		641,147
South Africa: 1.3%		
3,944	Anglo American Platinum Ltd. * #	47,407
26,725	AngloGold Ashanti Ltd. (ADR) *	189,747
46,094	Gold Fields Ltd. (ADR)	127,680
42,491	Impala Platinum Holdings Ltd. * † #	68,603
8,837	Mondi Plc (GBP) #	173,176
22,992	Northern Platinum Ltd. * #	38,943
11,204	Sappi Ltd. * #	46,982
7,820	Sasol Ltd. #	210,707
43,782	Sibanye Gold Ltd. #	66,275
		969,520
South Korea: 1.2%		
2,341	Hyundai Steel Co. #	98,649
424	Korea Zinc Co. Ltd. #	168,879
2,469	POSCO #	345,861
922	SK Energy Co. Ltd. * #	101,117
620	S-Oil Corp. #	41,532
1,737	Woongjin Coway Co. Ltd. #	123,678
27	Young Poong Corp. #	25,227
		904,943
Spain: 0.5%		
4,250	Acerinox SA #	43,333
7,551	Gamesa Corp. Tecnologica SA #	129,219
1,409	Pescanova SA * # §	—
15,964	Repsol YPF SA #	175,679
		348,231
Sweden: 1.0%		
5,641	BillerudKorsnas AB #	104,530
8,718	Boliden AB #	146,251
1,226	Holmen AB (B Shares) #	37,917
3,307	Lundin Petroleum AB * #	47,779
5,624	SSAB AB (B Shares) * #	12,587
15,345	Svenska Cellulosa AB (B Shares) #	445,272
		794,336
Switzerland: 4.7%		
186,516	Glencore Xstrata Plc (GBP) * #	247,107
8,068	Syngenta AG #	3,159,733
5,267	Transocean, Inc. (USD) †	65,205
12,002	Weatherford International Plc (USD) *	100,697

		3,572,742
Taiwan: 0.4%		
396,172	China Steel Corp. #	215,984
26,420	Formosa Petrochemical Corp. #	63,195
		279,179
Thailand: 0.2%		
21,500	PTT Exploration & Production PCL (NVDR) #	34,090
13,100	PTT PCL (NVDR) #	88,247
		122,337
Turkey: 0.1%		
56,890	Eregli Demir ve Celik Fabrikalari TAS #	59,151
1,889	Tupras-Turkiye Petrol Rafinerileri AS * #	45,015
		104,166

Number of Shares		Value
United Kingdom: 7.5%		
44,307	Anglo American Plc #	$194,345
52,405	BG Group Plc #	759,500
280,475	BP Plc #	1,457,244
78,492	Centrica Plc #	251,984
86,070	CNH Industrial NV (USD)	588,719
22,306	DS Smith Plc #	130,454
3,628	Ensco Plc CL A (USD)	55,835
3,728	Noble Corp Plc (USD) †	39,330
13,905	Pennon Group Plc #	176,369
3,944	Petrofac Ltd. #	46,253
6,108	Randgold Resources Ltd. (ADR)	378,268
38,665	Rio Tinto Plc #	1,125,513
8,053	Severn Trent Plc #	257,375
23,046	United Utilities Group Plc #	317,263
		5,778,452
United States: 47.1%		
6,370	AGCO Corp. †	289,134
41,755	Alcoa, Inc.	412,122
3,481	Allegheny Technologies, Inc.	39,161
1,241	American States Water Co.	52,060
7,828	Anadarko Petroleum Corp.	380,284
2,258	Andersons, Inc.	71,421
5,824	Apache Corp.	258,993
5,962	Aqua America, Inc.	177,668
51,692	Archer-Daniels-Midland Co.	1,896,063
6,718	Baker Hughes, Inc.	310,036
12,340	Bunge Ltd.	842,575
6,377	Cabot Oil & Gas Corp.	112,809
2,945	Cameron International Corp. *	186,124
1,566	Carpenter Technology Corp.	47,403
20,190	CF Industries Holdings, Inc.	823,954
3,635	Cheniere Energy, Inc. *	135,404
7,973	Chesapeake Energy Corp. †	35,879
28,995	Chevron Corp.	2,608,390

1,457	Cimarex Energy Co.	130,227
1,989	Concho Resources, Inc. *	184,699
19,022	ConocoPhillips	888,137
1,265	Continental Resources, Inc. *	29,070
3,483	Cree, Inc. * †	92,892
14,269	Darling International, Inc. *	150,110
27,006	Deere & Co. †	2,059,748
5,952	Devon Energy Corp.	190,464
993	Diamond Offshore Drilling, Inc. †	20,952
8,468	EOG Resources, Inc.	599,450
2,349	EQT Corp.	122,453
64,136	Exxon Mobil Corp.	4,999,401
2,558	First Solar, Inc. *	168,802
3,512	FMC Technologies, Inc. *	101,883
36,840	Freeport-McMoRan Copper & Gold, Inc.	249,407
7,884	Graphic Packaging Holding Co.	101,152
13,184	Halliburton Co.	448,783
1,662	Helmerich & Payne, Inc. †	89,000
3,703	Hess Corp.	179,521
2,817	HollyFrontier Corp.	112,370
6,197	Ingredion, Inc.	593,920
9,975	International Paper Co.	376,057
1,281	Itron, Inc. *	46,347
28,190	Kinder Morgan, Inc.	420,595
978	Lindsay Corp. †	70,807

See Notes to Financial Statements

NATURAL RESOURCES ETF

SCHEDULE OF INVESTMENTS

(continued)

Number of Shares		Value
United States: (continued)		
3,438	Louisiana-Pacific Corp. * †	$61,918
10,434	Marathon Oil Corp.	131,364
38,100	Monsanto Co.	3,753,612
29,049	Mosaic Co.	801,462
2,492	Murphy Oil Corp.	55,945
4,368	Nabors Industries Ltd.	37,172
5,788	National Oilwell Varco, Inc.	193,840
2,491	Newfield Exploration Co. *	81,107
35,170	Newmont Mining Corp.	632,708
6,558	Noble Energy, Inc.	215,955
10,187	Nucor Corp.	410,536
11,766	Occidental Petroleum Corp.	795,499
1,508	Oceaneering International, Inc.	56,580
3,223	ONEOK, Inc.	79,479
1,165	Ormat Technologies, Inc.	42,488
2,334	Packaging Corp. of America	147,159
7,315	Phillips 66	598,367
5,526	Pilgrim's Pride Corp. †	122,069
2,302	Pioneer Natural Resources Co.	288,625
2,610	Range Resources Corp. †	64,232
2,283	Reliance Steel & Aluminum Co.	132,209
2,081	Royal Gold, Inc.	75,894
19,429	Schlumberger Ltd.	1,355,173
734	Schweitzer-Mauduit International, Inc.	30,821
23	Seaboard Corp. *	66,579
5,923	Southwestern Energy Co. * †	42,113
10,345	Spectra Energy Corp.	247,659
7,718	Steel Dynamics, Inc.	137,921
8,042	Stillwater Mining Co. *	68,920
1,847	Sunpower Corp. * †	55,428
1,855	Tesoro Corp.	195,461
11,637	Tractor Supply Co.	994,963
25,610	Tyson Foods, Inc.	1,365,781
4,662	United States Steel Corp. †	37,203
7,417	Valero Energy Corp.	524,456
6,186	WestRock Co.	282,205
12,283	Weyerhaeuser Co.	368,244
3,145	Whiting Petroleum Corp. *	29,689

10,512	Williams Companies, Inc.	270,158
1,474	Worthington Industries, Inc.	44,426
		36,001,147
Total Common Stocks (Cost: $104,498,659)		76,783,944
RIGHTS: 0.0% (Cost: $7,843)		
Spain: 0.0%		
15,416	Repsol SA Rights (EUR 0.47, expiring 01/06/16) *	7,687
Total Investments Before Collateral for Securities Loaned: 100.4% (Cost: $104,506,502)		76,791,631

Principal Amount		Value
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 7.0%		
Repurchase Agreements: 7.0%		
$1,280,691	Repurchase agreement dated 12/31/15 with Citigroup Global Markets, Inc., 0.34%, due 1/4/16, proceeds $1,280,739; (collateralized by various U.S. government and agency obligations, 0.00% to 11.50%, due 1/15/16 to 4/1/51, valued at $1,306,305 including accrued interest)	$1,280,691
1,280,691	Repurchase agreement dated 12/31/15 with Daiwa Capital Markets America, Inc., 0.35%, due 1/4/16, proceeds $1,280,741; (collateralized by various U.S. government and agency obligations, 0.00% to 7.50%, due 1/21/16 to 2/1/49, valued at $1,306,305 including accrued interest)	1,280,691
1,280,691	Repurchase agreement dated 12/31/15 with HSBC Securities USA, Inc., 0.28%, due 1/4/16, proceeds $1,280,731; (collateralized by various U.S. government and agency obligations, 0.00% to 7.25%, due 1/15/16 to 11/15/43, valued at $ 1,306,308 including accrued interest)	1,280,691
269,584	Repurchase agreement dated 12/31/15 with JP Morgan Securities LLC, 0.32%, due 1/4/16, proceeds $269,594; (collateralized by various U.S. government and agency obligations, 0.00% to 2.00%, due 4/28/16 to 2/15/25, valued at $274,979 including accrued interest)	269,584
1,280,691	Repurchase agreement dated 12/31/15 with Nomura Securities International, Inc., 0.33%, due 1/4/16, proceeds $1,280,738; (collateralized by various U.S. government and agency obligations, 0.00% to 10.50%, due 1/15/16 to 10/20/65, valued a $1,306,305 including accrued interest)	1,280,691
Total Short-Term Investments Held as Collateral for Securities Loaned (Cost: $5,392,348)		5,392,348
Total Investments: 107.4% (Cost: $109,898,850)		82,183,979
Liabilities in excess of other assets: (7.4)%		(5,672,511)
NET ASSETS: 100.0%		$76,511,468

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ADR	American Depositary Receipt
EUR	Euro
GBP	British Pound
GDR	Global Depositary Receipt
NVDR	Non-Voting Depositary Receipt
USD	United States Dollar
*	Non-income producing
†	Security fully or partially on loan. Total market value of securities on loan is $5,157,386.
#	Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $29,566,653 which represents 38.6% of net assets.
§	Illiquid Security — the aggregate value of illiquid securities is $0 which represents 0.0% of net assets.
Reg S	Security was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States. Such a security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration.
144A	Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended, or otherwise restricted. These securities may be resold in transactions exempt from registration, unless otherwise noted, and the value amounted to $371,858, or 0.5% of net assets.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments		Value
Consumer Discretionary	1.5	%	$1,173,688
Consumer Staples	11.6		8,856,589
Energy	40.0		30,699,732
Financials	0.5		401,320
Industrials	5.2		3,995,203
Information Technology	0.5		404,332
Materials	37.9		29,099,535
Utilities	2.8		2,161,232
	100.0	%	$76,791,631

The summary of inputs used to value the Fund's investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	**Level 2 Significant Observable Inputs**	**Level 3 Significant Unobservable Inputs**	**Value**
Common Stocks				
Argentina	$79,749	$—	$ —	$79,749
Australia	—	2,965,118	—	2,965,118
Austria	55,592	167,366	—	222,958
Brazil	453,477	—	—	453,477

Canada	7,750,898	—	—	7,750,898
Chile	125,432	84,269	—	209,701
China / Hong Kong	—	1,566,740	—	1,566,740
Denmark	—	528,689	—	528,689
Finland	—	211,482	—	211,482
France	—	2,385,747	—	2,385,747
Germany	49,950	468,160	—	518,110
Hungary	—	47,828	—	47,828
India	—	380,086	—	380,086
Indonesia	—	54,136	—	54,136
Ireland	—	145,244	—	145,244
Italy	—	646,681	—	646,681
Japan	—	3,234,200	—	3,234,200
Luxembourg	214,784	136,549	—	351,333
Malaysia	46,540	511,918	—	558,458
Mexico	616,149	—	—	616,149
Netherlands	70,898	861,299	—	932,197
Norway	—	1,442,500	—	1,442,500
Peru	207,194	—	—	207,194
Poland	—	183,544	—	183,544
Portugal	—	92,054	—	92,054
Russia	—	1,483,471	—	1,483,471

See Notes to Financial Statements

NATURAL RESOURCES ETF

SCHEDULE OF INVESTMENTS

(continued)

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Common Stocks				
Singapore	$—	$641,147	$ —	$641,147
South Africa	317,427	652,093	—	969,520
South Korea	—	904,943	—	904,943
Spain	—	348,231	0	348,231
Sweden	—	794,336	—	794,336
Switzerland	165,902	3,406,840	—	3,572,742
Taiwan	—	279,179	—	279,179
Thailand	—	122,337	—	122,337
Turkey	—	104,166	—	104,166
United Kingdom	1,062,152	4,716,300	—	5,778,452
United States	36,001,147	—	—	36,001,147
Rights				
Spain	7,687	—	—	7,687
Repurchase Agreements	—	5,392,348	—	5,392,348
Total	$47,224,978	$34,959,001	$ 0	$82,183,979

During the period ended December 31, 2015, transfers of securities from Level 1 to Level 2 were $265,090, transfers of securities from Level 2 to Level 1 were $213,511 and transfers of securities from Level 2 to Level 3 were $0. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities' primary market (Level 1) and valuation by a pricing service (Level 2), which takes into account market direction or events occurring before the Fund's pricing time but after the last local close, as described in the Notes to Financial Statements.

The following table reconciles the valuation of the Fund's Level 3 investment securities and related transactions during the period ended December 31, 2015:

	Common Stocks	
	China / Hong Kong	Spain
Balance as of December 31, 2014	$10,727	$ 0
Realized gain (loss)	—	—
Change in unrealized appreciation (depreciation)	—	—

Purchases	—	—
Sales	—	—
Transfers in and/or out of level 3	(10,727)	—
Balance as of December 31, 2015	$—	$ 0

Transfers from Level 3 to Level 1 resulted primarily from security resuming trading.

See Notes to Financial Statements

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OIL REFINERS ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 99.9%		
Australia: 5.0%		
7,167	Caltex Australia Ltd. #	$195,592
China / Hong Kong: 1.5%		
152,000	Sinopec Shanghai Petrochemical Co. Ltd. * #	60,116
Finland: 4.5%		
5,988	Neste Oil Oyj #	178,643
India: 7.1%		
9,185	Reliance Industries Ltd. (GDR) # Reg S 144A	280,305
Israel: 1.3%		
327	Paz Oil Co. Ltd. #	51,379
Japan: 13.3%		
2,900	Cosmo Energy Holdings Co. Ltd. * #	38,915
5,200	Idemitsu Kosan Co. Ltd. #	82,960
51,800	JX Holdings, Inc. #	217,228
8,100	Showa Shell Sekiyu KK #	66,043
14,000	TonenGeneral Sekiyu KK #	118,090
		523,236
Poland: 4.8%		
10,932	Polski Koncern Naftowy Orlen SA #	186,933
Portugal: 4.7%		
16,020	Galp Energia, SGPS, SA #	186,855
South Korea: 7.9%		
1,643	SK Energy Co. Ltd. * #	180,189
1,946	S-Oil Corp. #	130,355
		310,544

Number of Shares		Value
Taiwan: 4.7%		
78,000	Formosa Petrochemical Corp. #	$186,571
Thailand: 3.7%		
496,300	IRPC PCL (NVDR) #	58,856
48,600	Thai Oil PCL (NVDR) #	88,584
		147,440
Turkey: 3.5%		
5,731	Tupras-Turkiye Petrol Rafinerileri AS * #	136,571
United States: 37.9%		

4,287	HollyFrontier Corp.	171,008
5,252	Marathon Petroleum Corp.	272,264
3,055	PBF Energy, Inc.	112,455
3,624	Phillips 66	296,443
2,171	Tesoro Corp.	228,758
4,465	Valero Energy Corp.	315,720
2,669	Western Refining, Inc.	95,070
		1,491,718
Total Common Stocks		
(Cost: $3,823,491)		3,935,903
MONEY MARKET FUND: 0.5%		
(Cost: $19,679)		
19,679	Dreyfus Government Cash Management Fund	19,679
Total Investments: 100.4%		
(Cost: $3,843,170)		3,955,582
Liabilities in excess of other assets: (0.4)%		(17,121)
NET ASSETS: 100.0%		$3,938,461

GDR	Global Depositary Receipt
NVDR	Non-Voting Depositary Receipt
*	Non-income producing
#	Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $2,444,185 which represents 62.1% of net assets.
Reg S	Security was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States. Such a security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration.
144A	Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended, or otherwise restricted. These securities may be resold in transactions exempt from registration, unless otherwise noted, and the value amounted to $280,305, or 7.1% of net assets.

Summary of Investments by Sector (unaudited)	% of Investments	Value
Energy	98.0 %	$3,875,787
Materials	1.5	60,116
Money Market Fund	0.5	19,679
	100.0 %	$3,955,582

See Notes to Financial Statements

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OIL REFINERS ETF

SCHEDULE OF INVESTMENTS

(continued)

The summary of inputs used to value the Fund's investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Common Stocks				
Australia	$—	$195,592	$ —	$195,592
China / Hong Kong	—	60,116	—	60,116
Finland	—	178,643	—	178,643
India	—	280,305	—	280,305
Israel	—	51,379	—	51,379
Japan	—	523,236	—	523,236
Poland	—	186,933	—	186,933
Portugal	—	186,855	—	186,855
South Korea	—	310,544	—	310,544
Taiwan	—	186,571	—	186,571
Thailand	—	147,440	—	147,440
Turkey	—	136,571	—	136,571
United States	1,491,718	—	—	1,491,718
Money Market Fund	19,679	—	—	19,679
Total	$1,511,397	$2,444,185	$ —	$3,955,582

There were no transfers between levels during the period ended December 31, 2015.

See Notes to Financial Statements

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OIL SERVICES ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 100.0%		
Luxembourg: 4.7%		
2,214,842	Tenaris SA (ADR)	$52,713,240
Netherlands: 4.2%		
432,917	Core Laboratories NV (USD) †	47,075,395
Switzerland: 7.9%		
3,393,203	Transocean, Inc. (USD) †	42,007,853
5,559,448	Weatherford International Plc (USD) *	46,643,769
		88,651,622
United Kingdom: 7.1%		
2,534,149	Ensco Plc CL A (USD)	39,000,553
2,359,280	Noble Corp Plc (USD) †	24,890,404
4,589,526	Seadrill Ltd. (USD) * †	15,558,493
		79,449,450
United States: 76.1%		
1,689,017	Baker Hughes, Inc.	77,948,135
913,189	Cameron International Corp. *	57,713,545
108,722	CARBO Ceramics, Inc. †	1,870,018
939,101	Diamond Offshore Drilling, Inc. †	19,815,031
1,693,680	FMC Technologies, Inc. *	49,133,657
3,831,263	Halliburton Co.	130,416,192
1,020,406	Helmerich & Payne, Inc. †	54,642,741
2,476,059	McDermott International, Inc. * †	8,294,798
4,140,646	Nabors Industries Ltd.	35,236,897
1,750,061	National Oilwell Varco, Inc.	58,609,543
940,750	Oceaneering International, Inc.	35,296,940
414,149	Oil States International, Inc. *	11,285,560
1,630,284	Patterson-UTI Energy, Inc.	24,584,683
1,217,923	Rowan Companies Plc	20,643,795
3,279,658	Schlumberger Ltd.	228,756,145
1,821,820	Superior Energy Services, Inc.	24,539,915
245,709	Tidewater, Inc. †	1,710,135
568,565	US Silica Holdings, Inc. †	10,649,222
		851,146,952
Total Common Stocks		
(Cost: $1,898,458,022)		1,119,036,659
MONEY MARKET FUND: 0.1%		
(Cost: $211,899)		
211,899	Dreyfus Government Cash Management Fund	211,899
Total Investments Before Collateral		

for Securities Loaned: 100.1%		
(Cost: $1,898,669,921)	1,119,248,558	

Principal Amount		**Value**
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 13.9%		
Repurchase Agreements: 13.9%		
$36,994,046	Repurchase agreement dated 12/31/15 with Citigroup Global Markets, Inc., 0.34%, due 1/4/16, proceeds $36,995,444; (collateralized by various U.S. government and agency obligations, 0.00% to 11.50%, due 1/15/16 to 4/1/51, valued at $37,733,926 including accrued interest)	$36,994,046
36,994,046	Repurchase agreement dated 12/31/15 with Daiwa Capital Markets America, Inc., 0.35%, due 1/4/16, proceeds $36,995,485; (collateralized by various U.S. government and agency obligations, 0.00% to 7.50%, due 1/21/16 to 2/1/49, valued at $37,733,927 including accrued interest)	36,994,046
36,994,046	Repurchase agreement dated 12/31/15 with HSBC Securities USA, Inc., 0.28%, due 1/4/16, proceeds $36,995,197; (collateralized by various U.S. government and agency obligations, 0.00% to 7.25%, due 1/15/16 to 11/15/43, valued at $37,734,033 including accrued interest)	36,994,046
7,786,835	Repurchase agreement dated 12/31/15 with JP Morgan Securities LLC, 0.32%, due 1/4/16, proceeds $7,787,112; (collateralized by various U.S. government and agency obligations, 0.00% to 2.00%, due 4/28/16 to 2/15/25, valued at $7,942,653 including accrued interest)	7,786,835
36,994,046	Repurchase agreement dated 12/31/15 with Nomura Securities International, Inc., 0.33%, due 1/4/16, proceeds $36,995,402; (collateralized by various U.S. government and agency obligations, 0.00% to 10.50%, due 1/15/16 to 10/20/65, valued at $37,733,927 including accrued interest)	36,994,046
Total Short-Term Investments Held as Collateral for Securities Loaned		
(Cost: $155,763,019)		155,763,019
Total Investments: 114.0%		
(Cost: $2,054,432,940)		1,275,011,577
Liabilities in excess of other assets: (14.0)%		(156,110,780)
NET ASSETS: 100.0%		$1,118,900,797

See Notes to Financial Statements

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OIL SERVICES ETF

SCHEDULE OF INVESTMENTS

(continued)

ADR American Depositary Receipt
USD United States Dollar
* Non-income producing
† Security fully or partially on loan. Total market value of securities on loan is $152,329,638.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments		Value
Energy	1.0	%	$10,649,222
Oil & Gas Drilling	24.7		276,380,450
Oil & Gas Equipment & Services	74.3		832,006,987
Money Market Fund	0.0		211,899
	100.0	%	$1,119,248,558

The summary of inputs used to value the Fund’s investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	**Level 2 Significant Observable Inputs**	**Level 3 Significant Unobservable Inputs**		**Value**
Common Stocks*	$1,119,036,659	$—	$	—	$1,119,036,659
Money Market Fund	211,899	—		—	211,899
Repurchase Agreements	—	155,763,019		—	155,763,019
Total	$1,119,248,558	$155,763,019	$	—	$1,275,011,577

* See Schedule of Investments for security type and geographic sector breakouts.

There were no transfers between levels during the year ended December 31, 2015.

See Notes to Financial Statements

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RARE EARTH/STRATEGIC METALS ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 95.2%		
Australia: 25.0%		
7,251,500	Alkane Resources Ltd. * #	$1,235,330
582,526	Iluka Resources Ltd. #	2,572,695
18,531,610	Lynas Corp. Ltd. * † #	1,320,938
1,170,418	Orocobre Ltd. * #	1,954,469
		7,083,432
Canada: 2.8%		
923,694	5N Plus, Inc. * †	804,600
Chile: 6.3%		
313,433	Molibdenos y Metales SA *	1,773,732
China / Hong Kong: 22.3%		
11,773,422	China Molybdenum Co. Ltd. (Class H) † #	2,189,601
14,365,895	China Rare Earth Holdings Ltd. * #	1,214,427
19,057,000	CITIC Dameng Holdings Ltd. * † #	1,294,594
109,862,964	North Mining Shares Co. Ltd. * #	1,623,006
		6,321,628
France: 5.1%		
45,601	Eramet SA * † #	1,459,250
Indonesia: 4.1%		
66,977,900	SMR Utama Tbk PT * #	1,156,275
Japan: 11.1%		
84,992	OSAKA Titanium Technologies Co. † #	1,747,805
172,247	Toho Titanium Co. Ltd. * † #	1,402,831
		3,150,636
Mexico: 3.3%		
2,051,977	Cia Minera Autlan SAB de CV *	939,783
South Africa: 4.2%		
299,306	Assore Ltd. † #	1,204,038
United Kingdom: 3.3%		
86,498,659	Rare Earth Minerals Plc *	949,803
United States: 7.7%		
5,303,452	Thompson Creek Metals Co., Inc. *	1,071,297
283,494	Tronox Ltd.	1,108,462
		2,179,759
Total Common Stocks (Cost: $60,009,217)		27,022,936
PREFERRED STOCKS: 4.5%		
Brazil: 4.5% (Cost: $2,479,765)		

716,823	Cia de Ferro Ligas da Bahia	1,279,184	
MONEY MARKET FUND: 0.1%			
(Cost: $29,855)			
29,855	Dreyfus Government Cash Management Fund	29,855	
Total Investments Before Collateral for Securities Loaned: 99.8%		28,331,975	
(Cost: $62,518,837)			

Principal Amount		Value
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 23.8%		
Repurchase Agreements: 23.8%		
$1,600,281	Repurchase agreement dated 12/31/15 with Citigroup Global Markets, Inc., 0.34%, due 1/4/16, proceeds $1,600,341; (collateralized by various U.S. government and agency obligations, 0.00% to 11.50%, due 1/15/16 to 4/1/51, valued at $1,632,287 including accrued interest)	$1,600,281
1,600,281	Repurchase agreement dated 12/31/15 with Daiwa Capital Markets America, Inc., 0.35%, due 1/4/16, proceeds $1,600,343; (collateralized by various U.S. government and agency obligations, 0.00% to 7.50%, due 1/21/16 to 2/1/49, valued at $1,632,287 including accrued interest)	1,600,281
1,600,281	Repurchase agreement dated 12/31/15 with HSBC Securities USA, Inc., 0.28%, due 1/4/16, proceeds $1,600,331; (collateralized by various U.S. government and agency obligations, 0.00% to 7.25%, due 1/15/16 to 11/15/43, valued at $1,632,291 including accrued interest)	1,600,281
336,847	Repurchase agreement dated 12/31/15 with JP Morgan Securities LLC, 0.32%, due 1/4/16, proceeds $336,859; (collateralized by various U.S. government and agency obligations, 0.00% to 2.00%, due 4/28/16 to 2/15/25, valued at $343,587 including accrued interest)	336,847
1,600,281	Repurchase agreement dated 12/31/15 with Nomura Securities International, Inc., 0.33%, due 1/4/16, proceeds $1,600,340; (collateralized by various U.S. government and agency obligations, 0.00% to 10.50%, due 1/15/16 to 10/20/65, valued at $1,632,287 including accrued interest)	1,600,281
Total Short-Term Investments Held as Collateral for Securities Loaned		6,737,971
(Cost: $6,737,971)		
Total Investments: 123.6% (Cost: $69,256,808)		35,069,946
Liabilities in excess of other assets: (23.6)%		(6,688,853)
NET ASSETS: 100.0%		$28,381,093

See Notes to Financial Statements

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RARE EARTH/STRATEGIC METALS ETF

SCHEDULE OF INVESTMENTS

(continued)

* Non-income producing
† Security fully or partially on loan. Total market value of securities on loan is $5,803,762.
# Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $20,375,259 which represents 71.8% of net assets.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments		**Value**
Commodity Chemicals	3.9	%	$1,108,462
Diversified Metals & Mining	62.1		17,579,620
Electronic Components	2.8		804,600
Gold	4.4		1,235,330
Materials	18.9		5,355,141
Steel	7.8		2,218,967
Money Market Fund	0.1		29,855
	100.0	%	$28,331,975

The summary of inputs used to value the Fund’s investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	**Level 2 Significant Observable Inputs**	**Level 3 Significant Unobservable Inputs**		**Value**
Common Stocks					
Australia	$—	$7,083,432	$	—	$7,083,432
Canada	804,600	—		—	804,600
Chile	1,773,732	—		—	1,773,732
China / Hong Kong	—	6,321,628		—	6,321,628
France	—	1,459,250		—	1,459,250
Indonesia	—	1,156,275		—	1,156,275
Japan	—	3,150,636		—	3,150,636
Mexico	939,783	—		—	939,783
South Africa	—	1,204,038		—	1,204,038
United Kingdom	949,803	—		—	949,803
United States	2,179,759	—		—	2,179,759
Preferred Stocks	1,279,184	—		—	1,279,184
Money Market Fund	29,855	—		—	29,855
Repurchase Agreements	—	6,737,971		—	6,737,971
Total	$7,956,716	$27,113,230	$	—	$35,069,946

During the period ended December 31, 2015, transfers of securities from Level 2 to Level 1 were $922,273. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities' primary market (Level 1) and valuation by a pricing service (Level 2), which takes into account market direction or events occurring before the Fund's pricing time but after the last local close, as described in the Notes to Financial Statements.

See Notes to Financial Statements

SOLAR ENERGY ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 99.3%		
Canada: 5.5%		
35,167	Canadian Solar, Inc. (USD) *	$1,018,436
China / Hong Kong: 25.6%		
394,000	China Singyes Solar Technologies Holdings Ltd. #	281,838
5,894,000	GCL-Poly Energy Holdings Ltd. † #	876,329
1,842,000	Hanergy Thin Film Power Group Ltd. *# §	—
38,358	JA Solar Holdings Co. Ltd. (ADR) * †	372,073
22,120	JinkoSolar Holding Co. Ltd. (ADR) * †	612,060
2,170,000	Shunfeng International Clean Energy Ltd. * #	546,784
64,727	Trina Solar Ltd. (ADR) * †	713,292
2,646,000	United Photovoltaics Group Ltd. * #	254,265
2,666,000	Xinyi Solar Holdings Ltd. #	1,080,816
		4,737,457
Germany: 5.1%		
17,310	SMA Solar Technology AG * † #	956,875
Israel: 2.5%		
16,258	SolarEdge Technologies, Inc. (USD) *	457,988
Switzerland: 2.1%		
64,431	Meyer Burger Technology AG * † #	383,753
Taiwan: 16.7%		
442,000	E-Ton Solar Tech Co. Ltd. * #	165,178
26,500	Giga Solar Materials Corp. #	578,656
432,601	Gintech Energy Corp. * #	419,923
356,000	Motech Industries, Inc. * #	486,644
627,306	Neo Solar Power Corp. #	461,027
547,000	Sino-American Silicon Products, Inc. #	773,243
328,301	Solartech Energy Corp. #	201,472
		3,086,143
Thailand: 1.8%		
10,226,200	Superblock PCL (NVDR) * #	330,814
United States: 40.0%		
20,530	Advanced Energy Industries, Inc. *	579,562
22,583	First Solar, Inc. *	1,490,252
1,786,371	REC Silicon ASA (NOK) * † #	359,203
37,082	SolarCity Corp. * †	1,891,924
188,781	SunEdison, Inc. * †	960,895
43,262	Sunpower Corp. * †	1,298,293

64,671	TerraForm Power, Inc. †	813,561
		7,393,690
Total Common Stocks (Cost: $20,852,849)		18,365,156
RIGHTS: 0.1% (Cost: $0)		
China / Hong Kong: 0.1%		
1,178,800	GCL-Poly Energy Holdings Ltd. Rights (HKD 1.12, expiring 01/20/16) * # §	4,563
MONEY MARKET FUND: 0.5% (Cost: $94,181)		
94,181	Dreyfus Government Cash Management Fund	94,181
Total Investments Before Collateral for Securities Loaned: 99.9% (Cost: $20,947,030)		18,463,900

Principal Amount		Value
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 26.3%		
Repurchase Agreements: 26.3%		
$1,156,383	Repurchase agreement dated 12/31/15 with Citigroup Global Markets, Inc., 0.34%, due 1/4/16, proceeds $1,156,427; (collateralized by various U.S. government and agency obligations, 0.00% to 11.50%, due 1/15/16 to 4/1/51, valued at $1,179,511 including accrued interest)	$1,156,383
1,156,383	Repurchase agreement dated 12/31/15 with HSBC Securities USA, Inc., 0.28%, due 1/4/16, proceeds $1,156,419; (collateralized by various U.S. government and agency obligations, 0.00% to 7.25%, due 1/15/16 to 11/15/43, valued at $1,179,514 including accrued interest)	1,156,383
243,409	Repurchase agreement dated 12/31/15 with JP Morgan Securities LLC, 0.32%, due 1/4/16, proceeds $243,418; (collateralized by various U.S. government and agency obligations, 0.00% to 2.00%, due 4/28/16 to 2/15/25, valued at $248,280 including accrued interest)	243,409
1,156,383	Repurchase agreement dated 12/31/15 with Merrill Lynch, Pierce, Fenner & Smith, Inc., 0.31%, due 1/4/16, proceeds $1,156,423; (collateralized by various U.S. government and agency obligations, 3.00% to 4.50%, due 11/15/42 to 2/20/45, valued at $1,179,511 including accrued interest)	1,156,383
1,156,383	Repurchase agreement dated 12/31/15 with Nomura Securities International, Inc., 0.33%, due 1/4/16, proceeds $1,156,425; (collateralized by various U.S. government and agency obligations, 0.00% to 10.50%, due 1/15/16 to 10/20/65, valued at $1,179,511 including accrued interest)	1,156,383
Total Short-Term Investments Held as Collateral for Securities Loaned (Cost: $4,868,941)		4,868,941
Total Investments: 126.2% (Cost: $25,815,971)		23,332,841
Liabilities in excess of other assets: (26.2)%		(4,840,167)
NET ASSETS: 100.0%		$18,492,674

See Notes to Financial Statements

SOLAR ENERGY ETF

SCHEDULE OF INVESTMENTS

(continued)

ADR	American Depositary Receipt
HKD	Hong Kong Dollar
NOK	Norwegian Krone
NVDR	Non-Voting Depositary Receipt
USD	United States Dollar
*	Non-income producing
†	Security fully or partially on loan. Total market value of securities on loan is $4,583,301.
#	Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $8,161,383 which represents 44.1% of net assets.
§	Illiquid Security — the aggregate value of illiquid securities is $4,563 which represents 0.0% of net assets.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments		**Value**
Construction & Engineering	1.5	%	$281,838
Electrical Components & Equipment	10.3		1,891,924
Industrial Machinery	2.1		383,753
Information Technology	5.4		1,004,772
Semiconductor Equipment	31.5		5,810,939
Semiconductors	42.5		7,852,118
Utilities	6.2		1,144,375
Money Market Fund	0.5		94,181
	100.0	%	$18,463,900

The summary of inputs used to value the Fund’s investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Common Stocks				
Canada	$1,018,436	$—	$ —	$1,018,436
China / Hong Kong	1,697,425	3,040,032	0	4,737,457
Germany	—	956,875	—	956,875
Israel	457,988	—	—	457,988
Switzerland	—	383,753	—	383,753
Taiwan	—	3,086,143	—	3,086,143
Thailand	—	330,814	—	330,814
United States	7,034,487	359,203	—	7,393,690

Rights				
China / Hong Kong	—	4,563	—	4,563
Money Market Fund	94,181	—	—	94,181
Repurchase Agreements	—	4,868,941	—	4,868,941
Total	$10,302,517	$13,030,324	$ 0	$23,332,841

There were no transfers between levels during the period ended December 31, 2015.

The following table reconciles the valuation of the Fund's Level 3 investment securities and related transactions during the period ended December 31, 2015:

	Common Stocks China / Hong Kong
Balance as of December 31, 2014	$—
Realized gain (loss)	1,689,624
Change in unrealized appreciation (depreciation)	(1,348,123)
Purchases	145,108
Sales	(2,176,627)
Transfers in and/or out of level 3	1,690,018
Balance as of December 31, 2015	$0

Transfers from Level 1 to Level 3 resulted primarily due to suspended trading.

See Notes to Financial Statements

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STEEL ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 100.0%		
Brazil: 17.2%		
1,460,373	Cia Siderurgica Nacional SA (ADR) †	$1,425,178
1,634,943	Gerdau SA (ADR)	1,961,932
1,318,644	Vale SA (ADR) †	4,338,339
		7,725,449
India: 4.7%		
381,056	Vedanta Ltd. (ADR)	2,118,671
Luxembourg: 17.6%		
563,786	ArcelorMittal (USD) †	2,379,177
148,418	Tenaris SA (ADR)	3,532,348
160,087	Ternium SA (ADR)	1,989,881
		7,901,406
South Korea: 6.9%		
87,690	POSCO (ADR) †	3,100,718
United Kingdom: 13.3%		
204,307	Rio Tinto Plc (ADR) †	5,949,420
United States: 40.3%		
187,188	AK Steel Holding Corp. * †	419,301
114,334	Allegheny Technologies, Inc. †	1,286,258
51,691	Carpenter Technology Corp.	1,564,687
161,478	Cliffs Natural Resources, Inc. †	255,135
142,924	Commercial Metals Co.	1,956,630
32,670	Gibraltar Industries, Inc. *	831,125
10,859	LB Foster Co.	148,334
80,365	Nucor Corp.	3,238,709
11,580	Olympic Steel, Inc.	134,096
34,536	Reliance Steel & Aluminum Co.	1,999,980
28,041	Schnitzer Steel Industries, Inc.	402,949
114,447	Steel Dynamics, Inc.	2,045,168
67,319	SunCoke Energy, Inc.	233,597
46,505	TimkenSteel Corp.	389,712
153,953	United States Steel Corp. †	1,228,545
65,251	Worthington Industries, Inc.	1,966,665
		18,100,891
Total Common Stocks (Cost: $116,754,838)		44,896,555
MONEY MARKET FUND: 0.0% (Cost: $15,419)		
15,419	Dreyfus Government Cash	

Management Fund	15,419	
Total Investments Before Collateral for Securities Loaned: 100.0% (Cost: $116,770,257)	44,911,974	

Principal Amount		Value
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 28.5%		
Repurchase Agreements: 28.5%		
$3,040,170	Repurchase agreement dated 12/31/15 with Citigroup Global Markets, Inc., 0.34%, due 1/4/16, proceeds $3,040,285; (collateralized by various U.S. government and agency obligations, 0.00% to 11.50%, due 1/15/16 to 4/1/51, valued at $3,100,974 including accrued interest)	$3,040,170
3,040,170	Repurchase agreement dated 12/31/15 with Daiwa Capital Markets America Inc., 0.35%, due 1/4/16, proceeds $3,040,288; (collateralized by various U.S. government and agency obligations, 0.00% to 7.50%, due 1/21/16 to 2/1/49, valued at $3,100,973 including accrued interest)	3,040,170
3,040,170	Repurchase agreement dated 12/31/15 with HSBC Securities USA, Inc., 0.28%, due 1/4/16, proceeds $3,040,265; (collateralized by various U.S. government and agency obligations 0.00% to 7.25%, due 1/15/16 to 11/15/43, valued at $3,100,982 including accrued interest)	3,040,170
639,915	Repurchase agreement dated 12/31/15 with JP Morgan Securities LLC, 0.32%, due 1/4/16, proceeds $639,938; (collateralized by various U.S. government and agency obligations, 0.00% to 2.00%, due 4/28/16 to 2/15/25, valued at $652,720 including accrued interest)	639,915
3,040,170	Repurchase agreement dated 12/31/15 with Nomura Securities International, Inc., 0.33%, due 1/4/16, proceeds $3,040,281; (collateralized by various U.S. government and agency obligations, 0.00% to 10.50%, due 1/15/16 to 10/20/65, valued at $3,100,973 including accrued interest)	3,040,170
Total Short-Term Investments Held as Collateral for Securities Loaned (Cost: $12,800,595)		12,800,595
Total Investments: 128.5% (Cost: $129,570,852)		57,712,569
Liabilities in excess of other assets: (28.5)%		(12,808,530)
NET ASSETS: 100.0%		$44,904,039

See Notes to Financial Statements

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STEEL ETF

SCHEDULE OF INVESTMENTS

(continued)

ADR American Depositary Receipt
USD United States Dollar
* Non-income producing
† Security fully or partially on loan. Total market value of securities on loan is $12,198,354.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments		**Value**
Energy	7.9	%	$3,532,348
Industrials	2.2		979,459
Materials	89.9		40,384,748
Money Market Fund	0.0		15,419
	100.0	%	$44,911,974

The summary of inputs used to value the Fund's investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	**Level 2 Significant Observable Inputs**	**Level 3 Significant Unobservable Inputs**	**Value**
Common Stocks*	$44,896,555	$—	$ —	$44,896,555
Money Market Fund	15,419	—	—	15,419
Repurchase Agreements	—	12,800,595	—	12,800,595
Total	$44,911,974	$12,800,595	$ —	$57,712,569

* See Schedule of Investments for security type and geographic sector breakouts.

There were no transfers between levels during the year ended December 31, 2015.

See Notes to Financial Statements

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UNCONVENTIONAL OIL & GAS ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 100.0%		
Canada: 18.1%		
62,497	ARC Resources Ltd. †	$751,350
69,958	Athabasca Oil Corp. *	77,558
29,073	Baytex Energy Corp. (USD)	94,197
21,949	Birchcliff Energy Ltd. *	63,836
134,557	Cenovus Energy, Inc. (USD)	1,698,109
86,476	Crescent Point Energy Corp. (USD) †	1,007,445
130,104	EnCana Corp. (USD)	662,229
40,214	Enerplus Corp. (USD)	137,532
57,507	Husky Energy, Inc.	592,416
27,160	MEG Energy Corp. *	156,809
25,694	Peyto Exploration & Development Corp. †	460,017
22,181	PrairieSky Royalty Ltd. †	350,016
31,460	Tourmaline Oil Corp. *	506,177
58,215	Whitecap Resources, Inc. †	380,109
		6,937,800
United States: 81.9%		
56,662	Anadarko Petroleum Corp.	2,752,640
15,107	Antero Resources Corp. * †	329,333
54,476	Apache Corp.	2,422,548
41,106	Cabot Oil & Gas Corp.	727,165
46,828	California Resources Corp. †	109,109
8,860	Carrizo Oil & Gas, Inc. *	262,079
64,759	Chesapeake Energy Corp. †	291,416
12,890	Cimarex Energy Co.	1,152,108
13,330	Concho Resources, Inc. *	1,237,824
17,434	Continental Resources, Inc. *	400,633
38,764	Denbury Resources, Inc. †	78,303
64,070	Devon Energy Corp.	2,050,240
7,794	Diamondback Energy, Inc. *	521,419
9,054	Energen Corp.	371,123
41,995	EOG Resources, Inc.	2,972,826
19,309	EQT Corp.	1,006,578
14,334	Gulfport Energy Corp. *	352,186
39,558	Hess Corp.	1,917,772
13,740	Laredo Petroleum, Inc. * †	109,783
101,557	Marathon Oil Corp.	1,278,603
11,997	Matador Resources Co. *	237,181

19,592	Memorial Resource Development Corp. * †	316,411
11,867	National Fuel Gas Co. †	507,314
21,322	Newfield Exploration Co. *	694,244
54,182	Noble Energy, Inc.	1,784,213
17,610	Oasis Petroleum, Inc. * †	129,786
48,441	Occidental Petroleum Corp.	3,275,096
18,689	Pioneer Natural Resources Co.	2,343,227
19,963	QEP Resources, Inc.	267,504
21,769	Range Resources Corp. †	535,735
7,940	SM Energy Co.	156,100
43,427	Southwestern Energy Co. * †	308,766
5,498	Unit Corp. * †	67,076
30,612	Whiting Petroleum Corp. *	288,977
38,062	WPX Energy, Inc. *	218,476
		31,473,794
Total Common Stocks (Cost: $73,138,420)		38,411,594

Principal Amount		Value
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 12.8%		
Repurchase Agreements: 12.8%		
$1,161,962	Repurchase agreement dated 12/31/15 with Citigroup Global Markets, Inc., 0.34%, due 1/4/16, proceeds $1,162,006; (collateralized by various U.S. government and agency obligations, 0.00% to 11.50%, due 1/15/16 to 4/1/51, valued at $1,185,201 including accrued interest)	$1,161,962
1,161,962	Repurchase agreement dated 12/31/15 with HSBC Securities USA, Inc., 0.28%, due 1/4/16, proceeds $1,161,998; (collateralized by various U.S. government and agency obligations, 0.00% to 7.25%, due 1/15/16 to 11/15/43, valued at $1,185,205 including accrued interest)	1,161,962
244,587	Repurchase agreement dated 12/31/15 with JP Morgan Securities LLC, 0.32%, due 1/4/16, proceeds $244,596; (collateralized by various U.S. government and agency obligations, 0.00% to 2.00%, due 4/28/16 to 2/15/25, valued at $249,481 including accrued interest)	244,587
1,161,962	Repurchase agreement dated 12/31/15 with Merrill Lynch, Pierce, Fenner & Smith, Inc., 0.31%, due 1/4/16, proceeds $1,162,002; (collateralized by various U.S. government and agency obligations, 3.00% to 4.50%, due 11/15/42 to 2/20/45, valued at $ 1,185,201 including accrued interest)	1,161,962
1,161,962	Repurchase agreement dated 12/31/15 with Nomura Securities International, Inc., 0.33%, due 1/4/16, proceeds $1,162,005; (collateralized by various U.S. government and agency obligations, 0.00% to 10.50%, due 1/15/16 to 10/20/65, valued at $1,185,201 including accrued interest)	1,161,962
Total Short-Term Investments Held as **Collateral for Securities Loaned** (Cost: $4,892,435)		4,892,435
Total Investments: 112.8% (Cost: $78,030,855)		43,304,029
Liabilities in excess of other assets: (12.8)%		(4,906,477)
NET ASSETS: 100.0%		$38,397,552

See Notes to Financial Statements

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UNCONVENTIONAL OIL & GAS ETF

SCHEDULE OF INVESTMENTS

(continued)

USD United States Dollar
* Non-income producing
† Security fully or partially on loan. Total market value of securities on loan is $4,827,688.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments		**Value**
Energy	15.1	%	$5,788,389
Gas Utilities	1.3		507,314
Integrated Oil & Gas	19.5		7,483,393
Oil & Gas Exploration & Production	64.1		24,632,498
	100.0	%	$38,411,594

The summary of inputs used to value the Fund's investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs		Value
Common Stocks*	$38,411,594	$—	$	—	$38,411,594
Repurchase Agreements	—	4,892,435		—	4,892,435
Total	$38,411,594	$4,892,435	$	—	$43,304,029

* See Schedule of Investments for security type and geographic sector breakouts

There were no transfers between levels during the period ended December 31, 2015.

See Notes to Financial Statements

URANIUM+NUCLEAR ENERGY ETF

SCHEDULE OF INVESTMENTS

December 31, 2015

Number of Shares		Value
COMMON STOCKS: 99.8%		
Canada: 1.6%		
50,208	Cameco Corp. (USD)	$619,065
Czech Republic: 1.0%		
21,780	CEZ AS #	388,257
Finland: 2.2%		
58,745	Fortum Oyj #	884,711
France: 1.5%		
40,162	Electricite de France SA #	591,240
Japan: 21.4%		
43,100	Chugoku Electric Power Co., Inc. #	568,592
26,900	Hokuriku Electric Power Co. #	397,210
183,714	IHI Corp. † #	506,721
143,205	Kajima Corp. #	851,569
115,200	Kansai Electric Power Co., Inc. * #	1,380,076
60,100	Kyushu Electric Power Co., Inc. * #	654,492
347,106	Mitsubishi Heavy Industries Ltd. #	1,516,460
28,000	Shikoku Electric Power Co., Inc. #	437,032
67,900	Tohoku Electric Power Co., Inc. #	848,134
216,900	Tokyo Electric Power Co., Inc. * #	1,247,928
		8,408,214
Netherlands: 1.0%		
10,331	Chicago Bridge & Iron Co. NV (USD) †	402,806
South Korea: 3.5%		
64,110	Korea Electric Power Corp. (ADR) *	1,357,209
United Kingdom: 2.7%		
43,681	Amec Foster Wheeler Plc (ADR)	281,306
51,031	Babcock International Group Plc #	763,531
		1,044,837
United States: 64.9%		
28,160	Ameren Corp.	1,217,357
22,472	AMETEK, Inc. †	1,204,274
37,783	Dominion Resources, Inc.	2,555,642
44,862	Duke Energy Corp.	3,202,698
18,056	Entergy Corp.	1,234,308
72,402	Exelon Corp.	2,010,603

Number of Shares	Value

United States: (continued)		
33,113	FirstEnergy Corp.	$1,050,675
31,166	NextEra Energy, Inc.	3,237,836
43,912	PG&E Corp.	2,335,679
10,771	Pinnacle West Capital Corp.	694,514
55,395	Public Service Enterprise Group, Inc.	2,143,232
59,664	The Southern Co.	2,791,679
49,074	Xcel Energy, Inc.	1,762,247
		25,440,744
Total Common Stocks (Cost: $39,386,168)		39,137,083
MONEY MARKET FUND: 0.1% (Cost: $34,406)		
34,406	Dreyfus Government Cash Management Fund	34,406
Total Investments Before Collateral for Securities Loaned: 99.9% (Cost: $39,420,574)		39,171,489

Principal Amount		
SHORT-TERM INVESTMENT HELD AS COLLATERAL FOR SECURITIES LOANED: 2.3% (Cost: $910,854)		
Repurchase Agreement: 2.3%		
$910,854	Repurchase agreement dated 12/31/15 with BNP Paribas Securities Corp., 0.31%, due 1/4/16, proceeds $910,885; (collateralized by various U.S. government and agency obligations, 0.00% to 4.50%, due 6/9/16 to 5/20/45, valued at $929,071 including accrued interest)	910,854
Total Investments: 102.2% (Cost: $40,331,428)		40,082,343
Liabilities in excess of other assets: (2.2)%		(871,543)
NET ASSETS: 100.0%		$39,210,800

ADR American Depositary Receipt
USD United States Dollar
* Non-income producing
† Security fully or partially on loan. Total market value of securities on loan is $855,201.
\# Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is $11,035,953 which represents 28.1% of net assets.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)	% of Investments	Value
Energy	2.3 %	$900,371
Industrials	13.4	5,245,361
Utilities	84.2	32,991,351
Money Market Fund	0.1	34,406

100.0	%	$39,171,489

See Notes to Financial Statements

URANIUM+NUCLEAR ENERGY ETF

SCHEDULE OF INVESTMENTS

(continued)

The summary of inputs used to value the Fund’s investments as of December 31, 2015 is as follows:

	Level 1 Quoted Prices	**Level 2 Significant Observable Inputs**	**Level 3 Significant Unobservable Inputs**	**Value**
Common Stocks				
Canada	$619,065	$—	$ —	$619,065
Czech Republic	—	388,257	—	388,257
Finland	—	884,711	—	884,711
France	—	591,240	—	591,240
Japan	—	8,408,214	—	8,408,214
Netherlands	402,806	—	—	402,806
South Korea	1,357,209	—	—	1,357,209
United Kingdom	281,306	763,531	—	1,044,837
United States	25,440,744	—	—	25,440,744
Money Market Fund	34,406	—	—	34,406
Repurchase Agreement	—	910,854	—	910,854
Total	$28,135,536	$11,946,807	$ —	$40,082,343

There were no transfers between levels during the year ended December 31, 2015.

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

STATEMENTS OF ASSETS AND LIABILITIES

December 31, 2015

	Agribusiness ETF	**Coal ETF**	**Global Alternative Energy ETF**	**Gold Miners ETF**	**Junior Gold Miners ETF**
Assets:					
Investments, at value (1)					
Unaffiliated issuers (2)	$834,498,562	$39,163,265	$91,511,811	$1,936,878,229	$329,494,105
Affiliated issuers (3)	—	—	—	2,381,966,630	973,598,287
Short-term investments held as collateral for securities loaned (4)	102,952,716	—	22,944,496	74,884,510	63,256,692
Cash	—	—	1,461	—	—
Cash denominated in foreign currency, at value (5)	385,520	6	186,857	3,450	12,158,829
Receivables:					
Investment securities sold	249,518	—	158,358	—	—
Shares sold	—	—	—	—	—
Due from Adviser	—	—	—	—	—
Dividends	3,446,646	312,818	313,184	1,183,755	682,779
Prepaid expenses	22,708	1,527	1,458	96,436	25,897
Total assets	941,555,670	39,477,616	115,117,625	4,395,013,010	1,379,216,589
Liabilities:					
Payables:					
Investment securities purchased	—	—	158,438	—	—
Collateral for securities loaned	102,952,716	—	22,944,496	74,884,510	63,256,692
Line of credit	1,384,110	—	—	—	14,212,697
Shares redeemed	—	—	—	—	—
Due to Adviser	385,249	10,557	37,938	1,881,354	549,220
Due to custodian	188,225	7,483	—	—	10,563
Deferred Trustee fees	315,652	15,236	7,619	548,986	115,893
Accrued expenses	778,726	196,662	112,299	980,383	390,074
Total liabilities	106,004,678	229,938	23,260,790	78,295,233	78,535,139
NET ASSETS	$835,550,992	$39,247,678	$91,856,835	$4,316,717,777	$1,300,681,450
Shares outstanding	17,950,000	6,250,000	1,683,298	314,652,500	67,687,446
Net asset value, redemption and offering price per share	$46.55	$6.28	$54.57	$13.72	$19.22
Net assets consist of:					
Aggregate paid in capital	$1,965,715,012	$564,016,272	$377,645,475	$15,643,359,250	$5,256,389,877

Net unrealized appreciation (depreciation)	(139,577,966)	(79,019,086)	(6,384,272)	(3,723,226,522)	(458,443,243)
Undistributed (accumulated) net investment income (loss)	224,266	(119,572)	278,043	6,832,621	(5,152,440)
Accumulated net realized gain (loss)	(990,810,320)	(445,629,936)	(279,682,411)	(7,610,247,572)	(3,492,112,744)
	$835,550,992	$39,247,678	$91,856,835	$4,316,717,777	$1,300,681,450
(1) Value of securities on loan	$98,562,807	$—	$22,244,345	$67,010,415	$58,372,818
(2) Cost of investments – Unaffiliated issuers	$973,953,266	$118,167,679	$97,891,058	$3,284,539,323	$438,775,645
(3) Cost of investments – Affiliated issuers	$—	$—	$—	$4,757,523,339	$1,323,092,048
(4) Cost of short-term investments held as collateral for securities loaned	$102,952,716	$—	$22,944,496	$74,884,510	$63,256,692
(5) Cost of cash denominated in foreign currency	$395,943	$6	$190,641	$3,450	$11,826,331

See Notes to Financial Statements

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Natural Resources ETF	Oil Refiners ETF	Oil Services ETF	Rare Earth / Strategic Metals ETF	Solar Energy ETF	Steel ETF	Unconventional Oil & Gas ETF	Uranium+ Energy ETF
$76,791,631	$ 3,955,582	$1,119,248,558	$ 28,331,975	$ 18,463,900	$44,911,974	$38,411,594	$39,171,48
—	—	—	—	—	—	—	—
5,392,348	—	155,763,019	6,737,971	4,868,941	12,800,595	4,892,435	910,854
—	—	—	—	—	—	8,081	—
78,269	3,660	—	75,349	71,762	—	—	7,570
3,043	—	—	20,274	65,522	1,543,060	—	—
68,758	—	673	—	—	3,119	—	—
—	9,815	—	—	—	—	—	—
217,186	3,943	2,062,768	114,743	39,088	175,549	81,171	300,329
1,410	—	17,670	863	359	1,195	1,072	915
82,552,645	3,973,000	1,277,092,688	35,281,175	23,509,572	59,435,492	43,394,353	40,391,15
43,294	—	—	20,244	65,555	1,599,819	—	—
5,392,348	—	155,763,019	6,737,971	4,868,941	12,800,595	4,892,435	910,854
465,628	—	1,675,138	—	—	—	—	153,555
—	—	490	—	—	—	—	—
29,432	—	321,413	8,757	1,382	9,862	6,643	28,250
4,413	11	211,899	—	—	—	—	—
7,861	7	91,636	9,292	1,441	11,388	1,935	7,520
98,201	34,521	128,296	123,818	79,579	109,789	95,788	80,178
6,041,177	34,539	158,191,891	6,900,082	5,016,898	14,531,453	4,996,801	1,180,357
$76,511,468	$ 3,938,461	$1,118,900,797	$ 28,381,093	$ 18,492,674	$44,904,039	$38,397,552	$39,210,80
2,900,000	200,000	42,310,863	2,074,962	300,000	2,300,000	2,900,000	866,632
$26.38	$ 19.69	$26.44	$ 13.68	$ 61.64	$19.52	$13.24	$45.25
$124,681,185	$ 3,863,076	$1,904,864,630	$ 261,657,723	$ 81,437,494	$312,143,801	$89,468,367	$223,030,0
(27,722,343)	112,404	(779,421,363)	(34,183,185)	(2,483,408)	(71,858,283)	(34,727,335)	(255,889
15,186	(7)	77,608	918,787	8,038	(24,886)	3,186	1,224,018
(20,462,560)	(37,012)	(6,620,078)	(200,012,232)	(60,469,450)	(195,356,593)	(16,346,666)	(184,787,
$76,511,468	$ 3,938,461	$1,118,900,797	$ 28,381,093	$ 18,492,674	$44,904,039	$38,397,552	$39,210,80
$5,157,386	$ —	$152,329,638	$ 5,803,762	$ 4,583,301	$12,198,354	$4,827,688	$855,201
$104,506,502	$ 3,843,170	$1,898,669,921	$ 62,518,837	$ 20,947,030	$116,770,257	$73,138,420	$39,420,57
$—	$ —	$—	$ —	$ —	$—	$—	$—
$5,392,348	$ —	$155,763,019	$ 6,737,971	$ 4,868,941	$12,800,595	$4,892,435	$910,854
$78,569	$ 3,668	$—	$ 71,784	$ 71,765	$—	$—	$7,302

See Notes to Financial Statements

MARKET VECTORS ETF TRUST

STATEMENTS OF OPERATIONS

For the Year Ended December 31, 2015

	Agribusiness ETF	Coal ETF	Global Alternative Energy ETF	Gold Miners ETF	Junior Gold Miners ETF
Income:					
Dividends – unaffiliated issuers	$31,835,836	$2,593,853	$1,033,460	$34,432,760	$3,352,717
Dividends – affiliated issuers	—	—	—	38,802,579	13,628,525
Securities lending income	3,045,682	205	323,097	1,395,963	2,247,566
Foreign taxes withheld	(2,439,492)	(288,428)	(53,828)	(8,138,108)	(917,989)
Total income	32,442,026	2,305,630	1,302,729	66,493,194	18,310,819
Expenses:					
Management fees	6,366,317	397,616	434,340	28,151,641	7,518,747
Professional fees	39,243	51,249	49,853	122,593	88,119
Insurance	35,939	2,100	1,695	112,680	28,943
Trustees' fees and expenses	55,664	3,013	1,254	161,010	66,655
Reports to shareholders	80,545	33,760	27,848	376,281	181,814
Indicative optimized portfolio value fee	17,378	5,353	2,389	—	5,834
Custodian fees	132,414	7,897	10,288	245,650	118,239
Registration fees	4,337	5,000	3,300	14,542	7,313
Transfer agent fees	2,400	2,400	2,383	2,400	2,400
Fund accounting fees	80,250	10,581	4,549	—	96,579
Interest	38,242	1,140	796	39,113	94,202
Other	96,799	1,940	3,369	164,845	158,792
Total expenses	6,949,528	522,049	542,064	29,390,755	8,367,637
Waiver of management fees	—	(51,720)	(2,686)	—	—
Expenses assumed by the Adviser	—	—	—	—	—
Net expenses	6,949,528	470,329	539,378	29,390,755	8,367,637
Net investment income	25,492,498	1,835,301	763,351	37,102,439	9,943,182
Net realized gain (loss) on:					
Investments – unaffiliated issuers	(122,258,111)	(57,480,622)	(447,539)	(778,928,439)	(36,309,555)
Investments – affiliated issuers	—	—	—	(1,098,198,683)	(301,936,216)
In-kind redemptions	14,580,459	(3,235,383)	1,966,627	(28,795,618)	5,520,865
Foreign currency transactions and foreign denominated assets and liabilities	(271,196)	(10,515)	(10,087)	393,585	(2,323,690)
Net realized gain (loss)	(107,948,848)	(60,726,520)	1,509,001	(1,905,529,155)	(335,048,596)
Net change in unrealized appreciation (depreciation) on:					
Investments	(43,308,385)	2,317,505	(1,600,307)	184,223,474	3,606,166

Foreign currency transactions and foreign denominated assets and liabilities	(19,155)	(4,234)	(682)	(8,719)	219,838
Net change in unrealized appreciation (depreciation)	(43,327,540)	2,313,271	(1,600,989)	184,214,755	3,826,004
Net Increase (Decrease) in Net Assets Resulting from Operations	$(125,783,890)	$(56,577,948)	$671,363	$(1,684,211,961)	$(321,279,410)

(a) Commencement of operations for Oil Refiners ETF was August 18, 2015.

See Notes to Financial Statements

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Natural Resources ETF	Oil Refiners ETF (a)	Oil Services ETF	Rare Earth / Strategic Metals ETF	Solar Energy ETF	Steel ETF	Unconventional Oil & Gas ETF	Uranium+Nuclear Energy ETF
$2,760,441	$22,929	$24,855,191	$769,191	$150,251	$2,207,798	$1,149,944	$1,584,480
—	—	—	—	—	—	—	—
62,783	17	4,897,493	489,008	183,298	536,548	165,693	18,717
(140,537)	(1,952)	(92,393)	(35,105)	(4,128)	(43,655)	(75,266)	(43,769)
2,682,687	20,994	29,660,291	1,223,094	329,421	2,700,691	1,240,371	1,559,428
425,576	5,900	3,907,516	237,174	104,301	313,316	286,810	264,880
61,446	23,224	86,575	56,192	51,988	55,793	70,142	50,792
1,618	—	20,838	1,199	398	1,444	1,165	1,086
4,261	2,100	38,161	2,938	1,786	2,222	3,229	1,606
15,430	12,899	88,966	25,619	16,523	24,596	18,396	16,764
18,827	4,832	4,001	20,227	16,592	—	—	8,322
65,184	4,650	17,129	12,227	12,782	21,583	8,170	8,272
5,000	1,849	7,500	5,025	2,942	2,512	3,546	3,986
2,400	1,000	2,114	2,400	2,400	2,383	2,400	2,400
32,846	1,924	57,433	6,479	5,027	4,917	4,971	7,768
4,603	—	26,043	1,412	462	1,078	924	2,401
1,457	500	78,732	18,646	9,587	1,632	10,875	1,422
638,648	58,878	4,335,008	389,538	224,788	431,476	410,628	369,699
(216,980)	(5,900)	(401,447)	(117,748)	(88,735)	(85,752)	(99,949)	(49,442)
—	(46,017)	—	—	—	—	—	—
421,668	6,961	3,933,561	271,790	136,053	345,724	310,679	320,257
2,261,019	14,033	25,726,730	951,304	193,368	2,354,967	929,692	1,239,171
(5,022,997)	(35,577)	(6,937,691)	(36,633,333)	(548,947)	(19,380,250)	(12,943,301)	(2,567,376)
—	—	—	—	—	—	—	—
850,452	—	44,543,121	(305,937)	486,315	(2,675,581)	(1,668,567)	1,724,967
(18,393)	(325)	—	(29,237)	(4,938)	—	111	3,308
(4,190,938)	(35,902)	37,605,430	(36,968,507)	(67,570)	(22,055,831)	(14,611,757)	(839,101)
(16,095,420)	112,412	(355,057,413)	11,065,914	(1,701,270)	(15,312,059)	(12,906,276)	(5,539,244)
(2,144)	(8)	—	2,547	(85)	—	(297)	(2,468)
(16,097,564)	112,404	(355,057,413)	11,068,461	(1,701,355)	(15,312,059)	(12,906,573)	(5,541,712)
$(18,027,483)	$90,535	$(291,725,253)	$(24,948,742)	$(1,575,557)	$(35,012,923)	$(26,588,638)	$(5,141,642)

See Notes to Financial Statements

MARKET VECTORS ETF TRUST

STATEMENTS OF CHANGES IN NET ASSETS

	Agribusiness ETF		Coal ETF	
	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
Operations:				
Net investment income (loss)	$25,492,498	$45,397,312	$1,835,301	$2,737,310
Net realized gain (loss)	(107,948,848)	234,602,810	(60,726,520)	(51,192,631)
Net change in unrealized appreciation (depreciation)	(43,327,540)	(333,714,651)	2,313,271	7,667,304
Net increase (decrease) in net assets resulting from operations	(125,783,890)	(53,714,529)	(56,577,948)	(40,788,017)
Dividends to shareholders:				
Dividends from net investment income	(24,912,650)	(46,504,400)	(1,806,250)	(2,946,300)
Share transactions:**				
Proceeds from sale of shares	84,809,462	19,173,313	15,093,533	54,440,499
Cost of shares redeemed	(539,463,371)	(3,113,370,622)	(32,366,651)	(50,795,362)
Increase (Decrease) in net assets resulting from share transactions	(454,653,909)	(3,094,197,309)	(17,273,118)	3,645,137
Total increase (decrease) in net assets	(605,350,449)	(3,194,416,238)	(75,657,316)	(40,089,180)
Net Assets, beginning of year	1,440,901,441	4,635,317,679	114,904,994	154,994,174
Net Assets, end of year†	$835,550,992	$1,440,901,441	$39,247,678	$114,904,994
† Including undistributed (accumulated) net investment income (loss)	$224,266	$(106,257)	$(119,572)	$(24,028)
** Shares of Common Stock Issued (no par value)				
Shares sold	1,500,000	350,000	1,150,000	2,900,000
Shares redeemed	(10,950,000)	(58,100,000)	(2,750,000)	(3,000,000)
Net increase (decrease)	(9,450,000)	(57,750,000)	(1,600,000)	(100,000)

See Notes to Financial Statements

Global Alternative Energy ETF		**Gold Miners ETF**		**Junior Gold Miners ETF**	
For the Year Ended December 31, 2015	**For the Year Ended December 31, 2014**	**For the Year Ended December 31, 2015**	**For the Year Ended December 31, 2014**	**For the Year Ended December 31, 2015**	**For the Year Ended December 31, 2014**
$ 763,351	$ 186,379	$ 37,102,439	$ 37,534,282	$ 9,943,182	$ (101,772)
1,509,001	3,407,458	(1,905,529,155)	(1,494,972,521)	(335,048,596)	(1,615,497,946)
(1,600,989)	(6,959,110)	184,214,755	545,948,873	3,826,004	861,270,605
671,363	(3,365,273)	(1,684,211,961)	(911,489,366)	(321,279,410)	(754,329,113)
(504,689)	(173,263)	(36,731,690)	(37,389,302)	(9,304,305)	(11,291,865)
14,619,851	15,443,230	2,793,038,295	3,038,735,835	496,144,925	1,502,981,592
(5,867,062)	(20,275,991)	(2,250,824,207)	(3,247,020,529)	(387,570,093)	(351,493,550)
8,752,789	(4,832,761)	542,214,088	(208,284,694)	108,574,832	1,151,488,042
8,919,463	(8,371,297)	(1,178,729,563)	(1,157,163,362)	(222,008,883)	385,867,064
82,937,372	91,308,669	5,495,447,340	6,652,610,702	1,522,690,333	1,136,823,269
$ 91,856,835	$ 82,937,372	$ 4,316,717,777	$ 5,495,447,340	$ 1,300,681,450	$ 1,522,690,333
$ 278,043	$ (13,513)	$ 6,832,621	$ 6,102,870	$ (5,152,440)	$ (5,537,935)
250,000	250,000	151,050,000	126,600,000	21,600,000	39,200,000
(100,000)	(350,000)	(134,650,000)	(142,750,000)	(17,250,000)	(12,650,000)
150,000	(100,000)	16,400,000	(16,150,000)	4,350,000	26,550,000

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

STATEMENTS OF CHANGES IN NET ASSETS

(continued)

	Natural Resources ETF		**Oil Refiners ETF**
	For the Year Ended December 31, 2015	**For the Year Ended December 31, 2014**	**For the Period August 18, 2015* through December 31, 2015**
Operations:			
Net investment income	$2,261,019	$2,077,263	$14,033
Net realized gain (loss)	(4,190,938)	656,005	(35,902)
Net change in unrealized appreciation (depreciation)	(16,097,564)	(10,048,212)	112,404
Net increase (decrease) in net assets resulting from operations	(18,027,483)	(7,314,944)	90,535
Dividends and Distributions to shareholders:			
Dividends from net investment income	(2,209,200)	(2,170,050)	(15,150)
Return of capital	—	—	(3,250)
Total Dividends and Distributions	(2,209,200)	(2,170,050)	(18,400)
Share transactions:**			
Proceeds from sale of shares	18,528,599	20,492,305	3,866,326
Cost of shares redeemed	(7,803,107)	(26,124,768)	—
Increase (Decrease) in net assets resulting from share transactions	10,725,492	(5,632,463)	3,866,326
Total increase (decrease) in net assets	(9,511,191)	(15,117,457)	3,938,461
Net Assets, beginning of year	86,022,659	101,140,116	—
Net Assets, end of year†	$76,511,468	$86,022,659	$3,938,461
† Including undistributed (accumulated) net investment income (loss)	$15,186	$(3,064)	$(7)
** Shares of Common Stock Issued (no par value)			
Shares sold	600,000	550,000	200,000
Shares redeemed	(250,000)	(700,000)	—
Net increase (decrease)	350,000	(150,000)	200,000

* Commencement of operations

See Notes to Financial Statements

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Oil Services ETF		Rare Earth / Strategic Metals ETF		Solar Energy ETF	
For the Year Ended December 31, 2015	**For the Year Ended December 31, 2014**	**For the Year Ended December 31, 2015**	**For the Year Ended December 31, 2014**	**For the Year Ended December 31, 2015**	**For the Year Ended December 31, 2014**
$25,726,730	$25,436,494	$951,304	$1,344,933	$193,368	$151,648
37,605,430	75,181,981	(36,968,507)	(53,499,107)	(67,570)	4,774,715
(355,057,413)	(355,428,381)	11,068,461	26,648,944	(1,701,355)	(6,766,676)
(291,725,253)	(254,809,906)	(24,948,742)	(25,505,230)	(1,575,557)	(1,840,313)
(25,643,376)	(25,702,038)	(1,325,901)	(878,135)	(177,900)	(135,000)
—	—	—	—	—	—
(25,643,376)	(25,702,038)	(1,325,901)	(878,135)	(177,900)	(135,000)
6,269,131,022	6,646,621,501	—	4,954,201	3,214,646	12,643,540
(5,762,695,857)	(6,918,368,843)	(3,329,807)	(16,827,991)	(3,278,391)	(12,146,619)
506,435,165	(271,747,342)	(3,329,807)	(11,873,790)	(63,745)	496,921
189,066,536	(552,259,286)	(29,604,450)	(38,257,155)	(1,817,202)	(1,478,392)
929,834,261	1,482,093,547	57,985,543	96,242,698	20,309,876	21,788,268
$1,118,900,797	$929,834,261	$28,381,093	$57,985,543	$18,492,674	$20,309,876
$77,608	$5,707	$918,787	$1,304,812	$8,038	$(6,496)
188,600,000	143,500,000	—	200,000	50,000	150,000
(172,200,000)	(148,400,000)	(200,000)	(600,000)	(50,000)	(150,000)
16,400,000	(4,900,000)	(200,000)	(400,000)	—	—

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

STATEMENTS OF CHANGES IN NET ASSETS

(continued)

	Steel ETF		**Unconventional Oil & Gas ETF**	
	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
Operations:				
Net investment income	$2,354,967	$2,507,556	$929,692	$740,911
Net realized gain (loss)	(22,055,831)	(7,649,774)	(14,611,757)	720,803
Net change in unrealized appreciation (depreciation)	(15,312,059)	(27,822,106)	(12,906,573)	(23,414,300)
Net increase (decrease) in net assets resulting from operations	(35,012,923)	(32,964,324)	(26,588,638)	(21,952,586)
Dividends and Distributions to shareholders:				
Dividends from net investment income	(2,353,573)	(2,549,800)	(991,800)	(744,600)
Return of capital	(45,327)	—	—	—
Total Dividends and Distributions	(2,398,900)	(2,549,800)	(991,800)	(744,600)
Share transactions:**				
Proceeds from sale of shares	45,894,025	51,423,359	15,122,954	57,126,688
Cost of shares redeemed	(32,705,305)	(91,093,764)	(11,082,306)	(19,397,673)
Increase (Decrease) in net assets resulting from share transactions	13,188,720	(39,670,405)	4,040,648	37,729,015
Total increase (decrease) in net assets	(24,223,103)	(75,184,529)	(23,539,790)	15,031,829
Net Assets, beginning of year	69,127,142	144,311,671	61,937,342	46,905,513
Net Assets, end of year†	$44,904,039	$69,127,142	$38,397,552	$61,937,342
† Including undistributed (accumulated) net investment income (loss)	$(24,886)	$(27,775)	$3,186	$(1,945)
** Shares of Common Stock Issued (no par value)				
Shares sold	1,650,000	1,100,000	750,000	1,850,000
Shares redeemed	(1,300,000)	(2,050,000)	(650,000)	(700,000)
Net increase (decrease)	350,000	(950,000)	100,000	1,150,000

See Notes to Financial Statements

Uranium+Nuclear Energy ETF For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
$1,239,171	$1,377,241
(839,101)	(3,267,597)
(5,541,712)	8,418,934
(5,141,642)	6,528,578
(1,362,115)	(1,676,073)
—	—
(1,362,115)	(1,676,073)
—	2,470,059
(22,097,379)	(17,289,026)
(22,097,379)	(14,818,967)
(28,601,136)	(9,966,462)
67,811,936	77,778,398
$39,210,800	$67,811,936
$1,224,018	$1,334,325
—	50,000
(450,000)	(350,000)
(450,000)	(300,000)

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MARKET VECTORS ETF TRUST

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

	Agribusiness ETF For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Net asset value, beginning of year	$52.59	$54.44	$52.94	$47.21	$53.39
Income from investment operations:					
Net investment income	1.37	1.68	1.08	1.00	0.30
Net realized and unrealized gain (loss) on investments	(6.07)	(1.84)	1.46	5.70	(6.18)
Total from investment operations	(4.70)	(0.16)	2.54	6.70	(5.88)
Less:					
Dividends from net investment income	(1.34)	(1.69)	(1.04)	(0.97)	(0.29)
Return of capital	—	—	—	—	(0.01)
Total dividends and distributions	(1.34)	(1.69)	(1.04)	(0.97)	(0.30)
Net asset value, end of year	$46.55	$52.59	$54.44	$52.94	$47.21
Total return (a)	(8.96)%	(0.13)%	4.60 %	14.20 %	(11.01)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$835,551	$1,440,901	$4,635,318	$5,667,221	$5,530,813
Ratio of gross expenses to average net assets	0.55 %	0.57 %	0.55 %	0.55 %	0.53 %
Ratio of net expenses to average net assets	0.55 %	0.57 %	0.55 %	0.55 %	0.53 %
Ratio of net expenses, excluding interest expense, to average net assets	0.54 %	0.56 %	0.55 %	0.54 %	0.53 %
Ratio of net investment income to average net assets	2.00 %	1.77 %	1.79 %	1.89 %	0.76 %
Portfolio turnover rate	20 %	14 %	33 %	19 %	22 %

	Coal ETF For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Net asset value, beginning of year	$14.64	$19.50	$25.17	$32.41	$47.07
Income from investment operations:					
Net investment income	0.29	0.34	0.39	0.49	0.53
Net realized and unrealized loss on investments	(8.36)	(4.83)	(5.62)	(7.30)	(14.71)
Total from investment operations	(8.07)	(4.49)	(5.23)	(6.81)	(14.18)
Less:					
Dividends from net investment income	(0.29)	(0.37)	(0.44)	(0.43)	(0.48)
Net asset value, end of year	$6.28	$14.64	$19.50	$25.17	$32.41
Total return (a)	(55.14)%	(23.07)%	(20.77)%	(21.05)%	(30.12)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$39,248	$114,905	$154,994	$235,358	$314,420
Ratio of gross expenses to average net assets	0.66 %	0.63 %	0.64 %	0.62 %	0.59 %
Ratio of net expenses to average net assets	0.59 %	0.59 %	0.59 %	0.59 %	0.59 %

Ratio of net expenses, excluding interest expense, to average net assets	0.59	%	0.59	%	0.59	%	0.59	%	0.59	%
Ratio of net investment income to average net assets	2.31	%	1.75	%	1.78	%	2.02	%	0.93	%
Portfolio turnover rate	36	%	27	%	20	%	55	%	47	%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of period, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

	Global Alternative Energy ETF# For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Net asset value, beginning of year	$54.09	$55.90	$33.26	$32.88	$60.24
Income from investment operations:					
Net investment income	0.46	0.12	0.51	0.66	1.02
Net realized and unrealized gain (loss) on investments	0.33	(1.82)	22.68	0.35	(27.33)
Total from investment operations	0.79	(1.70)	23.19	1.01	(26.31)
Less:					
Dividends from net investment income	(0.31)	(0.11)	(0.54)	(0.63)	(1.02)
Return of capital	—	—	(0.01)	—	(0.03)
Total dividends and distributions	(0.31)	(0.11)	(0.55)	(0.63)	(1.05)
Net asset value, end of year	$54.57	$54.09	$55.90	$33.26	$32.88
Total return (a)	1.45 %	(3.04)%	69.69 %	3.07 %	(43.69)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$91,857	$82,937	$91,309	$46,013	$58,644
Ratio of gross expenses to average net assets	0.62 %	0.64 %	0.72 %	0.81 %	0.68 %
Ratio of net expenses to average net assets	0.62 %	0.62 %	0.62 %	0.62 %	0.62 %
Ratio of net expenses, excluding interest expense, to average net assets	0.62 %	0.62 %	0.62 %	0.62 %	0.62 %
Ratio of net investment income to average net assets	0.88 %	0.18 %	1.16 %	1.81 %	1.59 %
Portfolio turnover rate	27 %	31 %	18 %	35 %	26 %

	Gold Miners ETF For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Net asset value, beginning of year	$18.43	$21.16	$46.32	$51.50	$61.44
Income from investment operations:					
Net investment income	0.12	0.12	0.23	0.39	0.26
Net realized and unrealized loss on investments	(4.71)	(2.73)	(25.20)	(5.11)	(10.05)
Total from investment operations	(4.59)	(2.61)	(24.97)	(4.72)	(9.79)
Less:					
Dividends from net investment income	(0.12)	(0.12)	(0.19)	(0.46)	(0.15)
Net asset value, end of year	$13.72	$18.43	$21.16	$46.32	$51.50
Total return (a)	(24.93)%	(12.31)%	(53.90)%	(9.16)%	(15.93)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$4,316,718	$5,495,447	$6,652,611	$9,406,054	$8,772,539
Ratio of gross expenses to average net assets	0.52 %	0.53 %	0.53 %	0.52 %	0.52 %
Ratio of net expenses to average net assets	0.52 %	0.53 %	0.53 %	0.52 %	0.52 %

Ratio of net expenses, excluding interest expense, to average net assets	0.52	%	0.53	%	0.53	%	0.52	%	0.52	%
Ratio of net investment income to average net assets	0.66	%	0.52	%	1.01	%	0.88	%	0.35	%
Portfolio turnover rate	24	%	18	%	33	%	5	%	9	%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of period, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

On July 1, 2013, the Fund effected a 1 for 3 reverse share split (See Note 10). Per share data has been adjusted to reflect the share split.

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

	Junior Gold Miners ETF#				
	For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Net asset value, beginning of year	$24.04	$30.90	$79.13	$97.84	$159.24
Income from investment operations:					
Net investment income (loss)	0.15	— (b)(c)	0.41	0.36	2.72
Net realized and unrealized loss on investments	(4.83)	(6.68)	(48.64)	(16.07)	(57.80)
Total from investment operations	(4.68)	(6.68)	(48.23)	(15.71)	(55.08)
Less:					
Dividends from net investment income	(0.14)	(0.18)	—	(3.00)	(4.84)
Distributions from net realized capital gains	—	—	—	—	(1.48)
Total dividends and distributions	(0.14)	(0.18)	—	(3.00)	(6.32)
Net asset value, end of year	$19.22	$24.04	$30.90	$79.13	$97.84
Total return (a)	(19.48)%	(21.60)%	(60.95)%	(16.07)%	(34.57)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$1,300,681	$1,522,690	$1,136,823	$2,537,231	$1,922,665
Ratio of gross expenses to average net assets	0.56%	0.55%	0.58%	0.55%	0.54%
Ratio of net expenses to average net assets	0.56%	0.55%	0.57%	0.55%	0.54%
Ratio of net expenses, excluding interest expense, to average net assets	0.55%	0.54%	0.56%	0.55%	0.54%
Ratio of net investment income (loss) to average net assets	0.66%	(0.01)%	(0.07)%	0.01%	(0.22)%
Portfolio turnover rate	47%	65%	34%	22%	60%

	Natural Resources ETF				
	For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Net asset value, beginning of year	$33.73	$37.46	$35.94	$33.76	$38.83
Income from investment operations:					
Net investment income	0.81	0.82	0.87	0.86	0.66
Net realized and unrealized gain (loss) on investments	(7.37)	(3.70)	1.48	2.17	(5.07)
Total from investment operations	(6.56)	(2.88)	2.35	3.03	(4.41)
Less:					
Dividends from net investment income	(0.79)	(0.85)	(0.83)	(0.85)	(0.66)
Net asset value, end of year	$26.38	$33.73	$37.46	$35.94	$33.76
Total return (a)	(19.48)%	(7.71)%	6.55%	8.98%	(11.36)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$76,511	$86,023	$101,140	$122,204	$158,687
Ratio of gross expenses to average net assets	0.75%	0.73%	0.74%	0.68%	0.64%

Ratio of net expenses to average net assets	0.50	%	0.50	%	0.50	%	0.52	%	0.61	%
Ratio of net expenses, excluding interest expense, to average net assets	0.49	%	0.49	%	0.49	%	0.51	%	0.61	%
Ratio of net investment income to average net assets	2.66	%	2.10	%	2.13	%	1.95	%	1.40	%
Portfolio turnover rate	9	%	13	%	14	%	10	%	15	%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of period, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

(b) Calculated based upon average shares outstanding.

(c) Amount represents less than $0.005 per share.

On July 1, 2013, the Fund effected a 1 for 4 reverse share split (See Note 10). Per share data has been adjusted to reflect the share split.

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period:

	Oil Refiners ETF For the Period August 18, 2015(a) through December 31, 2015
Net asset value, beginning of period	$19.75
Income from investment operations:	
Net investment income	0.07
Net realized and unrealized loss on investments	(0.04)
Total from investment operations	0.03
Less:	
Dividends from net investment income	(0.07)
Return of capital	(0.02)
Total dividends and distributions	(0.09)
Net asset value, end of period	$19.69
Total return (b)	0.16 %(c)
Ratios/Supplemental Data	
Net assets, end of period (000's)	$3,938
Ratio of gross expenses to average net assets	4.98 %(d)
Ratio of net expenses to average net assets	0.59 %(d)
Ratio of net expenses, excluding interest expense, to average net assets	0.59 %(d)
Ratio of net investment income to average net assets	1.19 %(d)
Portfolio turnover rate	12 %(c)

	Oil Services ETF*				
	For the Year Ended December 31,				For the Period December 20, 2011(a) through December 31,
	2015	2014	2013	2012	2011
Net asset value, beginning of period	$35.89	$48.10	$38.64	$38.29	$38.06

Income from investment operations:					
Net investment income	0.63	0.85	0.55	0.42	— (e)
Net realized and unrealized gain (loss) on investments	(9.45)	(12.20)	9.45	0.34	0.23
Total from investment operations	(8.82)	(11.35)	10.00	0.76	0.23
Less:					
Dividends from net investment income	(0.63)	(0.86)	(0.54)	(0.40)	—
Distributions from net realized capital gains	—	—	—	(0.01)	—
Total dividends and distributions	(0.63)	(0.86)	(0.54)	(0.41)	—
Net asset value, end of period	$26.44	$35.89	$48.10	$38.64	$38.29
Total return (b)	(24.58)%	(23.64)%	25.90 %	1.98 %	0.61 %(c)
Ratios/Supplemental Data					
Net assets, end of period (000's)	$1,118,901	$929,834	$1,482,094	$1,283,326	$913,653
Ratio of gross expenses to average net assets	0.39 %	0.39 %	0.39 %	0.38 %	0.46 %(d)
Ratio of net expenses to average net assets	0.35 %	0.35 %	0.35 %	0.35 %	0.35 %(d)
Ratio of net expenses, excluding interest expense, to average net assets	0.35 %	0.35 %	0.35 %	0.35 %	0.35 %(d)
Ratio of net investment income (loss) to average net assets	2.30 %	1.99 %	1.24 %	1.23 %	(0.35)%(d)
Portfolio turnover rate	18 %	15 %	10 %	6 %	0 %(c)

(a) Commencement of operations

(b) Total return is calculated assuming an initial investment made at the net asset value at the beginning of period, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

(c) Not Annualized

(d) Annualized

(e) Amount represents less than $0.005 per share.

* On February 14, 2012, the Fund affected a 3 for 1 share split (See Note 10). Per share data has been adjusted to reflect the share split.

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

	Rare Earth / Strategic Metals ETF#				
	For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Net asset value, beginning of year	$25.49	$35.98	$52.92	$60.40	$94.72
Income from investment operations:					
Net investment income	0.51	0.65	0.35	0.88	1.00
Net realized and unrealized loss on investments	(11.68)	(10.75)	(17.21)	(7.44)	(31.52)
Total from investment operations	(11.17)	(10.10)	(16.86)	(6.56)	(30.52)
Less:					
Dividends from net investment income	(0.64)	(0.39)	(0.08)	(0.92)	(3.80)
Net asset value, end of year	$13.68	$25.49	$35.98	$52.92	$60.40
Total return (a)	(43.76)%	(28.07)%	(31.85)%	(10.88)%	(32.21)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$28,381	$57,986	$96,243	$174,652	$198,535
Ratio of gross expenses to average net assets	0.82 %	0.72 %	0.70 %	0.66 %	0.59 %
Ratio of net expenses to average net assets	0.57 %	0.58 %	0.57 %	0.59 %	0.57 %
Ratio of net expenses, excluding interest expense, to average net assets	0.57 %	0.57 %	0.57 %	0.57 %	0.57 %
Ratio of net investment income to average net assets	2.01 %	1.55 %	0.69 %	1.59 %	0.95 %
Portfolio turnover rate	49 %	37 %	31 %	44 %	35 %

	Solar Energy ETF*				
	For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Net asset value, beginning of year	$67.70	$72.63	$36.38	$55.35	$165.75
Income from investment operations:					
Net investment income	0.64	0.51	0.32	1.29	3.75
Net realized and unrealized gain (loss) on investments	(6.11)	(4.99)	36.66	(18.94)	(110.70)
Total from investment operations	(5.47)	(4.48)	36.98	(17.65)	(106.95)
Less:					
Dividends from net investment income	(0.59)	(0.45)	(0.73)	(1.32)	(3.45)
Net asset value, end of year	$61.64	$67.70	$72.63	$36.38	$55.35
Total return (a)	(8.09)%	(6.17)%	101.66%	(31.89)%	(64.50)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$18,493	$20,310	$21,788	$10,914	$9,950
Ratio of gross expenses to average net assets	1.08 %	1.08 %	1.54 %	1.86 %	1.06 %
Ratio of net expenses to average net assets	0.65 %	0.65 %	0.66 %	0.66 %	0.65 %
Ratio of net expenses, excluding interest expense, to average net assets	0.65 %	0.65 %	0.65 %	0.65 %	0.65 %

Ratio of net investment income to average net assets	0.93	%	0.60	%	0.58	%	3.47	%	2.63	%
Portfolio turnover rate	46	%	50	%	75	%	59	%	35	%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of period, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

On July 1, 2013, the Fund effected a 1 for 4 reverse share split (See Note 10). Per share data has been adjusted to reflect the share split.

* On July 2, 2012 the Fund effected a 1 for 15 reverse share split (See Note 10). Per share data has been adjusted to reflect the share split.

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period:

	Steel ETF For the Year Ended December 31, 2015	2014	2013	2012	2011
Net asset value, beginning of year	$35.45	$49.76	$48.85	$47.64	$72.48
Income from investment operations:					
Net investment income	1.03	1.13	0.93	1.09	1.14
Net realized and unrealized gain (loss) on investments	(15.92)	(14.28)	0.96	1.20	(24.84)
Total from investment operations	(14.89)	(13.15)	1.89	2.29	(23.70)
Less:					
Dividends from net investment income	(1.02)	(1.16)	(0.94)	(1.08)	(1.14)
Return of capital	(0.02)	—	(0.04)	—	—
Total dividends and distributions	(1.04)	(1.16)	(0.98)	(1.08)	(1.14)
Net asset value, end of year	$19.52	$35.45	$49.76	$48.85	$47.64
Total return (b)	(42.03)%	(26.44)%	3.88 %	4.80 %	(32.70)%
Ratios/Supplemental Data					
Net assets, end of year (000’s)	$44,904	$69,127	$144,312	$153,881	$181,037
Ratio of gross expenses to average net assets	0.69 %	0.63 %	0.62 %	0.60 %	0.58 %
Ratio of net expenses to average net assets	0.55 %	0.55 %	0.55 %	0.55 %	0.55 %
Ratio of net expenses, excluding interest expense, to average net assets	0.55 %	0.55 %	0.55 %	0.55 %	0.55 %
Ratio of net investment income to average net assets	3.76 %	2.43 %	2.21 %	2.40 %	1.97 %
Portfolio turnover rate	15 %	11 %	15 %	13 %	3 %

	Unconventional Oil & Gas ETF For the Year Ended December 31, 2015	2014	2013	For the Period February 14, 2012(a) through December 31, 2012
Net asset value, beginning of period	$22.12	$28.43	$22.54	$25.02
Income from investment operations:				
Net investment income	0.32	0.30	0.13	0.23
Net realized and unrealized gain (loss) on investments	(8.86)	(6.32)	5.90	(2.49)
Total from investment operations	(8.54)	(6.02)	6.03	(2.26)

Less:				
Dividends from net investment income	(0.34)	(0.29)	(0.14)	(0.22)
Net asset value, end of period	$13.24	$22.12	$28.43	$22.54
Total return (b)	(38.60)%	(21.18)%	26.77 %	(9.04)%(c)
Ratios/Supplemental Data				
Net assets, end of period (000's)	$38,398	$61,937	$46,906	$15,780
Ratio of gross expenses to average net assets	0.72 %	0.67 %	1.04 %	0.92 %(d)
Ratio of net expenses to average net assets	0.54 %	0.54 %	0.54 %	0.54 %(d)
Ratio of net expenses, excluding interest expense, to average net assets	0.54 %	0.54 %	0.54 %	0.54 %(d)
Ratio of net investment income to average net assets	1.62 %	1.07 %	0.89 %	1.12 %(d)
Portfolio turnover rate	22 %	11 %	11 %	35 %(c)

(a) Commencement of operations

(b) Total return is calculated assuming an initial investment made at the net asset value at the beginning of period, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

(c) Not Annualized

(d) Annualized

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

	Uranium+Nuclear Energy ETF# For the Year Ended December 31,				
	2015	**2014**	**2013**	**2012**	**2011**
Net asset value, beginning of year	$51.50	$48.11	$41.35	$44.82	$75.87
Income from investment operations:					
Net investment income (loss)	1.87	1.27	0.80	1.26	(0.27)
Net realized and unrealized gain (loss) on investments	(6.63)	3.39	6.29	(2.84)	(24.99)
Total from investment operations	(4.76)	4.66	7.09	(1.58)	(25.26)
Less:					
Dividends from net investment income	(1.49)	(1.27)	(0.33)	(1.89)	(5.79)
Net asset value, end of year	$45.25	$51.50	$48.11	$41.35	$44.82
Total return (a)	(9.26)%	9.61%	17.18%	(3.53)%	(33.29)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	$39,211	$67,812	$77,778	$78,567	$86,668
Ratio of gross expenses to average net assets	0.70%	0.76%	0.80%	0.67%	0.63%
Ratio of net expenses to average net assets	0.61%	0.60%	0.60%	0.60%	0.62%
Ratio of net expenses, excluding interest expense, to average net assets	0.60%	0.60%	0.60%	0.60%	0.61%
Ratio of net investment income to average net assets	2.34%	1.89%	1.60%	2.82%	1.42%
Portfolio turnover rate	27%	31%	48%	52%	51%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of period, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date and a redemption at the net asset value on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

\# On July 1, 2013, the Fund effected a 1 for 3 reverse share split (See Note 10). Per share data has been adjusted to reflect the share split.

See Notes to Financial Statements

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MARKET VECTORS ETF TRUST

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

Note 1—Fund Organization—Market Vectors ETF Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Trust was incorporated in Delaware as a statutory trust on March 15, 2001. The Trust operates as a series fund, and as of December 31, 2015, offers fifty four investment portfolios, each of which represents a separate series of the Trust.

These financial statements relate only to the following investment portfolios: Agribusiness ETF, Coal ETF, Global Alternative Energy ETF, Gold Miners ETF, Junior Gold Miners ETF, Natural Resources ETF, Oil Refiners ETF, Oil Services ETF, Rare Earth/Strategic Metals ETF, Solar Energy ETF, Steel ETF, Unconventional Oil & Gas ETF and Uranium+Nuclear Energy ETF (each a "Fund" and, together, the "Funds"). Each Fund was created to provide investors with the opportunity to purchase a security representing a proportionate undivided interest in a portfolio of securities consisting of substantially all of the common stocks in substantially the same weighting, in an index sponsored, licensed or managed by the NYSE Group Inc., Ardour Global Indexes, LLC, S-Network Global Indexes, LLC and Market Vectors Index Solutions GmbH, a wholly owned subsidiary of Van Eck Associates Corporation (the "Adviser").

The Funds' commencement of operations dates and their respective Indices are presented below:

Fund	**Commencement of Operations**	**Index**
Agribusiness ETF	August 31, 2007	Market Vectors Global Agribusiness Index*
Coal ETF	January 10, 2008	Market Vectors® Global Coal Index*
Global Alternative Energy ETF	May 03, 2007	Ardour Global Index℠ (Extra Liquid)
Gold Miners ETF	May 16, 2006	NYSE Arca Gold Miners Index
Junior Gold Miners ETF	November 10, 2009	Market Vectors® Global Junior Gold Miners Index*
Natural Resources ETF	August 29, 2008	Rogers™—Van Eck Natural Resources Index
Oil Refiners ETF	August 18, 2015	Market Vectors® Global Oil Refiners Index*
Oil Services ETF	December 20, 2011	Market Vectors® US Listed Oil Services 25 Index*
Rare Earth/Strategic Metals ETF	October 27, 2010	Market Vectors® Global Rare Earth/Strategic Metals Index*
Solar Energy ETF	April 21, 2008	Market Vectors® Global Solar Energy Index*
Steel ETF	October 10, 2006	NYSE Arca Steel Index
Unconventional Oil & Gas ETF	February 14, 2012	Market Vectors® Global Unconventional Oil & Gas Index*
Uranium+Nuclear Energy ETF	August 13, 2007	Market Vectors® Global Uranium & Nuclear Energy Index*

*Published by Market Vectors Index Solutions GmbH.

Note 2—Significant Accounting Policies—The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

The Funds are investment companies and are following accounting and reporting requirements of Accounting Standards Codification ("ASC") 946 Financial Services — Investment Companies.

The following is a summary of significant accounting policies followed by the Funds.

A. **Security Valuation—**The Funds value their investments in securities and other assets and liabilities carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Securities traded on national exchanges or traded on the NASDAQ National Market System are valued at the last sales price as reported at the close of each business day. Securities traded on the NASDAQ Stock Market are valued at the NASDAQ official closing price. Over-the-counter securities not included in the NASDAQ National Market System and listed securities for which no sale was reported are valued at the mean of the bid and ask prices. To the extent these securities are actively traded they are categorized as Level 1 in the fair value hierarchy (described below). Certain foreign securities, whose values may be affected by market direction or events occurring before the Funds' pricing time (4:00 p.m. Eastern Standard Time) but after the last close of the securities' primary market, are fair valued using a pricing service and are categorized as Level 2 in the fair value hierarchy. The pricing service, using methods approved by the Board of Trustees, considers the correlation of the trading patterns of the foreign security to intraday trading in the U.S. markets, based on indices of domestic securities and other appropriate indicators such as prices of relevant ADR's and futures contracts. The Funds may also fair value securities in other situations, such as, when a particular foreign market is closed but the Fund is open. Short-term obligations with more than sixty days remaining to maturity are

MARKET VECTORS ETF TRUST

NOTES TO FINANCIAL STATEMENTS

(continued)

valued at market value. Short-term obligations with sixty days or less to maturity are valued at amortized cost, which with accrued interest approximates fair value. Money market fund investments are valued at net asset value and are considered to be Level 1 in the fair value hierarchy. Securities for which quotations are not available are stated at fair value as determined by the Pricing Committee of the Adviser. The Pricing Committee provides oversight of the Funds' valuation policies and procedures, which are approved by the Funds' Board of Trustees. Among other things, these procedures allow the Funds to utilize independent pricing services, quotations from securities dealers, and other market sources to determine fair value. The Pricing Committee convenes regularly to review the fair value of financial instruments for which market prices are not readily available. The Pricing Committee employs various methods for calibrating the valuation approaches utilized to determine fair value, including a regular review of key inputs and assumptions, transactional back-testing and disposition analysis.

Certain factors such as economic conditions, political events, market trends, the nature of and duration of any restrictions on disposition, trading in similar securities of the issuer or comparable issuers and other security specific information are used to determine the fair value of these securities. Depending on the relative significance of valuation inputs, these securities may be classified either as Level 2 or Level 3 in the fair value hierarchy. The price which the Funds may realize upon sale of an investment may differ materially from the value presented in the Schedules of Investments.

The Funds utilize various methods to measure the fair value of its investments on a recurring basis which includes a hierarchy that prioritizes inputs to valuation methods used to measure fair value. The fair value hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The transfers between levels of the fair value hierarchy assume the financial instruments were transferred at the beginning of the reporting period. The three levels of the fair value hierarchy are described below:

Level 1 — Quoted prices in active markets for identical securities.

Level 2 — Significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 — Significant unobservable inputs (including each Fund's own assumptions in determining the fair value of investments).

A summary of the inputs, the levels used to value the Funds' investments, and transfers between levels are located in the Schedules of Investments. Additionally, tables that reconcile the valuation of the Funds' Level 3 investments and that present additional information about valuation methodologies and unobservable inputs, if applicable, are located in the Schedules of Investments.

B. **Federal Income Taxes—**It is each Fund's policy to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

C. **Dividends and Distributions to Shareholders—**Dividends to shareholders from net investment income and distributions from net realized capital gains, if any, are declared and paid annually by each Fund. Income dividends and capital gain distributions are determined in accordance with U.S. income tax regulations, which may differ from such amounts determined in accordance with GAAP.

D. **Currency Translation—**Assets and liabilities denominated in foreign currencies and commitments under foreign currency contracts are translated into U.S. dollars at the closing prices of such currencies each business day. Purchases and sales of investments are translated at the exchange rates prevailing when such investments are acquired or sold. Foreign denominated income and expenses are translated at the exchange rates prevailing when accrued. The portion of realized and unrealized gains and losses on investments that result from fluctuations in foreign currency exchange rates is not separately disclosed in the financial statements. Recognized gains or losses attributable to foreign currency fluctuations on foreign currency denominated assets, other than investments, and liabilities are recorded as net realized gain (loss) on foreign currency transactions and foreign denominated assets and liabilities in the Statements of Operations.

E. **Restricted Securities—**The Funds may invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. Information regarding restricted securities, if any, is included at the end of each Fund's Schedule of Investments.

F. **Repurchase Agreements—**The Funds may enter into repurchase agreements with financial institutions, deemed to be creditworthy by the Adviser, to generate income from their excess cash balances and to invest securities lending cash collateral. A repurchase agreement is an agreement under which a Fund acquires securities from a seller, subject to resale to the seller at an agreed upon price and date. A Fund, through its custodian/securities lending agent, takes possession of securities collateralizing the repurchase agreement. Pursuant to the terms of the repurchase agreement, such securities must have an aggregate market value greater than or equal to the terms of the repurchase price plus accrued interest at all times. If the value of the underlying securities falls below the value of the repurchase price plus accrued interest, the Funds will require the seller to deposit additional collateral by the next business day. If the request for additional collateral is not met, or the seller defaults on its repurchase obligation, the Funds maintain their right to sell the underlying securities at market value and may claim any resulting loss against the seller. Repurchase agreements held as of December 31, 2015 are reflected in the Schedules of Investments.

G. **Use of Derivative Instruments—**The Funds may invest in derivative instruments, including, but not limited to, options, futures, swaps and other derivatives relating to foreign currency transactions. A derivative is an instrument whose value is derived from underlying assets, indices, reference rates or a combination of these factors. Derivative instruments may be privately negotiated contracts (often referred to as over-the-counter ("OTC") derivatives) or they may be listed and traded on an exchange. Derivative contracts may involve future commitments to purchase or sell financial instruments at specified terms on a specified date, or to exchange interest payment streams or currencies based on a notional or contractual amount. Derivative instruments may involve a high degree of financial risk. The use of derivative instruments also involves the risk of loss if the Adviser is incorrect in its expectation of the timing or level of fluctuations in securities prices, interest rates or currency prices. Investments in derivative instruments also include the risk of default by the counterparty, the risk that the investment may not be liquid and the risk that a small movement in the price of the underlying security or benchmark may result in a disproportionately large movement, unfavorable or favorable, in the price of the derivative instruments. The Funds held no derivative instruments during the year ended December 31, 2015.

H. **Offsetting Assets and Liabilities—**In the ordinary course of business, the Funds enter into transactions subject to enforceable master netting agreements or other similar agreements. Generally, the right of setoff in those agreements allows the Funds to set off any exposure to a specific counterparty with any collateral received or delivered to that counterparty based on the terms of the agreements. The Funds may pledge or receive cash and/or securities as collateral for derivative instruments, securities lending and repurchase agreements. For financial reporting purposes, the Funds present securities lending and repurchase agreement assets and liabilities on a gross basis in the Statements of Assets and Liabilities. Collateral held at December 31, 2015 is presented in the Schedules of Investments. Also, refer to related disclosures in Note 2F (Repurchase Agreements) and Note 9 (Securities Lending).

I. **Other—**Security transactions are accounted for on trade date. Transactions in certain securities may take longer than the customary settlement cycle to be completed. The counterparty is required to collateralize such trades with cash in excess of the market value of the transaction, which is held at the custodian and marked to market daily. Realized gains and losses are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date except that certain dividends from foreign securities are recognized upon notification of the ex-dividend date/rate. Interest income, including amortization of premiums and discounts, is accrued as earned.

In the normal course of business, the Funds enter into contracts that contain a variety of general indemnifications. The Funds' maximum exposure under these agreements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Adviser believes the risk of loss under these arrangements to be remote.

MARKET VECTORS ETF TRUST

NOTES TO FINANCIAL STATEMENTS

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Note 3—Investment Management and Other Agreements—The Adviser is the investment adviser to the Funds. The Adviser receives a management fee, calculated daily and payable monthly based on an annual rate of 0.50% of each Fund's average daily net assets (except for Oil Services ETF). The management fee rate for Oil Services ETF is 0.35%. The Adviser has agreed, at least until May 1, 2015 (for Oil Refiners ETF until May 1, 2017) to voluntarily waive or limit its fees and to assume as its own expense certain expenses otherwise payable by the Funds so that each Fund's total annual operating expenses does not exceed the expense limitation (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) listed in the table below.

The current expense limitations and the amounts waived/assumed by the Adviser for the December 31, 2015 ended December 31, 2015, are as follows:

Fund	Expense Limitations	Waiver of Management Fees	Expenses Assumed by the Adviser
Agribusiness ETF	0.56 %	$—	$—
Coal ETF	0.59	51,720	—
Global Alternative Energy ETF	0.62	2,686	—
Gold Miners ETF	0.53	—	—
Junior Gold Miners ETF	0.56	—	—
Natural Resources ETF	0.49	216,980	—
Oil Refiners ETF	0.59	5,900	46,017
Oil Services ETF	0.35	401,447	—
Rare Earth / Strategic Metals ETF	0.57	117,748	—
Solar Energy ETF	0.65	88,735	—
Steel ETF	0.55	85,752	—
Unconventional Oil & Gas ETF	0.54	99,949	—
Uranium+Nuclear Energy ETF	0.60	49,442	—

In addition, Van Eck Securities Corporation, an affiliate of the Adviser, acts as the Funds' "Distributor". Certain officers and a Trustee of the Trust are officers, directors or stockholders of the Adviser and Distributor.

Note 4—Investments—For the December 31, 2015 ended December 31, 2015, the cost of purchases and proceeds from sales of investments other than U.S. government obligations and short-term obligations (excluding in-kind transactions described in Note 6) were as follows:

Fund	Cost of Investments Purchased	Proceeds from Investments Sold
Agribusiness ETF	$ 252,557,757	$ 264,469,834
Coal ETF	28,148,225	28,253,742
Global Alternative Energy ETF	23,153,846	23,262,160
Gold Miners ETF	1,345,495,959	1,350,213,701
Junior Gold Miners ETF	698,948,442	690,849,423
Natural Resources ETF	7,432,659	7,186,503
Oil Refiners ETF	827,834	403,688
Oil Services ETF	211,824,991	202,121,027
Rare Earth / Strategic Metals ETF	23,866,769	23,101,945
Solar Energy ETF	9,323,336	9,463,798
Steel ETF	9,615,202	9,339,057
Unconventional Oil & Gas ETF	12,548,281	12,491,294
Uranium+Nuclear Energy ETF	14,357,490	14,703,566

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Note 5—Income Taxes—As of December 31, 2015, for Federal income tax purposes, the identified cost of investments owned, net unrealized appreciation (depreciation), gross unrealized appreciation, and gross unrealized depreciation of investments were as follows:

Fund	Cost of Investments	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
Agribusiness ETF	$1,088,846,137	$89,532,508	$(240,927,367)	$(151,394,859)
Coal ETF	125,139,070	198,845	(86,174,650)	(85,975,805)
Global Alternative Energy ETF	120,695,480	15,170,976	(21,410,149)	(6,239,173)
Gold Miners ETF	8,148,050,266	20,374,945	(3,774,695,842)	(3,754,320,897)
Junior Gold Miners ETF	1,849,229,594	72,148,244	(555,028,754)	(482,880,510)
Natural Resources ETF	110,191,671	6,069,355	(34,077,047)	(28,007,692)
Oil Refiners ETF	3,843,170	245,273	(132,861)	112,412
Oil Services ETF	2,054,392,171	238,586	(779,619,180)	(779,380,594)
Rare Earth/Strategic Metals ETF	77,336,527	1,464,780	(43,731,361)	(42,266,581)
Solar Energy ETF	26,164,054	2,018,532	(4,849,745)	(2,831,213)
Steel ETF	130,517,522	170,626	(72,975,579)	(72,804,953)
Unconventional Oil & Gas ETF	78,364,777	—	(35,060,748)	(35,060,748)
Uranium+Nuclear Energy ETF	40,477,203	2,348,567	(2,743,427)	(394,860)

At December 31, 2015, the components of accumulated earnings (deficit) on a tax basis, for each Fund, were as follows:

Fund	Undistributed Ordinary Income	Accumulated Capital Losses	Qualified Late-Year Losses	Other Temporary Difference	Unrealized Appreciation (Depreciation)	Total
Agribusiness ETF	$539,919	$(978,870,165)	$—	$(315,653)	$(151,518,121)	$(1,130,164,020)
Coal ETF	67,384	(438,830,268)	—	(15,233)	(85,990,477)	(524,768,594)
Global Alternative Energy ETF	—	(279,534,544)	(2,282)	(7,616)	(6,244,198)	(285,788,640)
Gold Miners ETF	7,164,986	(7,578,927,855)	—	(548,988)	(3,754,329,616)	(11,326,641,473)
Junior Gold Miners ETF	—	(3,472,452,758)	(591,323)	(115,894)	(482,548,452)	(3,955,708,427)
Natural Resources ETF	20,629	(20,167,328)	—	(7,857)	(28,015,164)	(48,169,720)
Oil Refiners ETF	—	(37,012)	—	(7)	112,404	75,385
Oil Services ETF	128,475	(6,620,078)	—	(91,636)	(779,380,594)	(785,963,833)
Rare Earth/Strategic Metals ETF	958,329	(191,962,763)	—	(9,290)	(42,262,906)	(233,276,630)
Solar Energy ETF	9,478	(60,121,367)	—	(1,440)	(2,831,491)	(62,944,820)
Steel ETF	—	(194,423,421)	—	(11,389)	(72,804,953)	(267,239,763)

Unconventional Oil & Gas ETF	5,123	(16,012,744)	—	(1,937)	(35,061,257)	(51,070,815)
Uranium+Nuclear Energy ETF	1,231,540	(184,641,611)	—	(7,521)	(401,664)	(183,819,256)

The tax character of dividends paid to shareholders during the years ended December 31, 2015 and December 31, 2014 was as follows:

Fund	2015 Dividends and Distributions Ordinary Income	2015 Dividends and Distributions Return of Capital	2014 Dividends and Distributions Ordinary Income
Agribusiness ETF	$24,912,650	$—	$46,504,400
Coal ETF	1,806,250	—	2,946,300
Global Alternative Energy ETF	504,689	—	173,263
Gold Miners ETF	36,731,690	—	37,389,302
Junior Gold Miners ETF	9,304,305	—	11,291,865
Natural Resources ETF	2,209,200	—	2,170,050
Oil Refiners ETF*	15,150	3,250	—
Oil Services ETF	25,643,376	—	25,702,038
Rare Earth/Strategic Metals ETF	1,325,901	—	878,135
Solar Energy ETF	177,900	—	135,000
Steel ETF	2,353,573	45,327	2,549,800
Unconventional Oil & Gas ETF	991,800	—	744,600
Uranium+Nuclear Energy ETF	1,362,115	—	1,676,073

* For the period August 18, 2015 (Commencement of Operations) to December 31, 2015.

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MARKET VECTORS ETF TRUST

NOTES TO FINANCIAL STATEMENTS

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Qualified late-year losses incurred after October 31, 2015 and within the taxable year, are deemed to arise on the first day of the Funds' next taxable year. For the year ended December 31, 2015, the Funds intend to defer to January 1, 2016 for federal tax purpose qualified late-year losses as follows:

Fund	**Late Year Ordinary Losses**
Global Alternative Energy ETF	2,282
Junior Gold Miners ETF	591,323

At December 31, 2015, the Funds had capital loss carryforwards available to offset future capital gains, as follows:

	Post-Effective No Expiration Short-Term Capital	Post-Effective No Expiration Long-Term	Amount Expiring in the Year Ended December 31,		
Fund	Losses	Capital Losses	2018	2017	2016
Agribusiness ETF	$177,183,575	$418,803,346	$85,630,099	$257,031,280	$40,221,865
Coal ETF	22,023,646	224,195,453	18,822,843	155,793,705	17,994,621
Global Alternative Energy ETF	2,399,561	70,992,308	34,193,213	158,919,596	13,029,866
Gold Miners ETF	854,768,383	6,270,494,794	1,784,160	388,612,074	63,268,444
Junior Gold Miners ETF	825,365,167	2,647,087,591	—	—	—
Natural Resources ETF	2,475,717	15,403,754	540,880	1,722,348	24,629
Oil Refiners ETF	37,012	—	—	—	—
Oil Services ETF	6,113,124	506,954	—	—	—
Rare Earth/Strategic Metals ETF	36,166,836	155,795,927	—	—	—
Solar Energy ETF	4,444,022	27,273,569	8,586,525	19,016,483	800,768
Steel ETF	3,028,105	80,553,916	21,020,656	79,176,906	10,643,838
Unconventional Oil & Gas ETF	5,353,320	10,659,424	—	—	—
Uranium+Nuclear Energy ETF	14,221,670	68,743,461	41,593,262	49,042,636	11,040,582

During the year ended December 31, 2015 the following funds had a portion of its accumulated capital loss carryforwards expired: $28,875 from Agribusiness ETF; $67,613 from Global Alternative Energy ETF and $500,169 from Uranium+Nuclear Energy ETF.

During the year ended December 31, 2015, as a result of permanent book to tax differences, primarily due to investments in Passive Foreign Investment Companies, foreign currency gains and losses, partnerships, expiration of capital loss carryforwards and tax treatment of in-kind redemptions, the Funds incurred differences that affected undistributed net investment income (loss), accumulated net realized gain (loss) on investments and aggregate paid in capital by the amounts in the table below. Net assets were not affected by these reclassifications.

Fund	Increase/Decrease in Undistributed Net Investment Income/Loss		Increase/Decrease in Accumulated Net Realized Gain/Loss		Increase/Decrease in Aggregate Paid in Capital	
Agribusiness ETF	$(249,325	)	$(13,778,294	)	$14,027,619	
Coal ETF	(124,595	)	6,841,219		(6,716,624	)
Global Alternative Energy ETF	32,894		(1,870,829	)	1,837,935	
Gold Miners ETF	359,002		29,672,692		(30,031,694	)
Junior Gold Miners ETF	(253,382	)	19,274,153		(19,020,771	)
Natural Resources ETF	(33,569	)	(806,983	)	840,552	
Oil Refiners ETF	1,110		(1,110	)	—	
Oil Services ETF	(11,453	)	(43,718,555	)	43,730,008	
Rare Earth/Strategic Metals ETF	(11,428	)	877,519		(866,091	)
Solar Energy ETF	(934	)	(453,979	)	454,913	
Steel ETF	1,495		6,173,694		(6,175,189	)
Unconventional Oil & Gas ETF	67,239		1,372,490		(1,439,729	)
Uranium+Nuclear Energy ETF	12,637		(1,216,649	)	1,204,012	

The Funds recognize the tax benefits of uncertain tax positions only where the position is “more-likely-than-not” to be sustained assuming examination by applicable tax authorities. Management has analyzed the Funds’ tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken

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on return filings for all open tax years. The Funds do not have exposure for additional years that might still be open in certain foreign jurisdictions. Therefore, no provision for income tax is required in the Funds' financial statements. However, the Funds are subject to foreign taxes on the appreciation in value of certain investments. The Funds provide for such taxes on both realized and unrealized appreciation.

The Funds recognize interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statements of Operations. During the year ended December 31, 2015, the Funds did not incur any interest or penalties.

Note 6—Capital Share Transactions—As of December 31, 2015, there were an unlimited number of capital shares of beneficial interest authorized by the Trust with no par value. Shares are issued and redeemed by the Funds only in Creation Units, consisting of 50,000 shares, or multiples thereof. The consideration for the purchase or redemption of Creation Units of the Funds generally consists of the in-kind contribution or distribution of securities constituting the Funds' underlying index plus a small amount of cash. For the December 31, 2015 ended December 31, 2015 the Trust had in-kind contributions and redemptions as follows:

Fund	In-Kind Contributions	In-Kind Redemptions
Agribusiness ETF	$82,207,473	$524,094,686
Coal ETF	15,050,270	32,266,554
Global Alternative Energy ETF	14,617,892	5,869,311
Gold Miners ETF	2,791,700,242	2,250,142,007
Junior Gold Miners ETF	496,062,125	387,518,298
Natural Resources ETF	18,082,629	7,627,498
Oil Refiners ETF	3,434,920	—
Oil Services ETF	6,263,636,077	5,762,120,382
Rare Earth / Strategic Metals ETF	—	2,972,571
Solar Energy ETF	2,732,027	2,767,924
Steel ETF	44,328,349	31,437,038
Unconventional Oil & Gas ETF	15,122,628	11,082,873
Uranium+Nuclear Energy ETF	—	21,983,802

The in-kind contributions and in-kind redemptions in this table represent the accumulation of each Fund's daily net shareholder transactions including rebalancing activity, while the Statements of Changes in Net Assets reflect gross shareholder transactions including any cash component of the transactions.

Note 7—Concentration of Risk—The investment objective of each Fund is to seek investment results that correspond generally to the price and yield performance, before fees and expenses, of its underlying index, as indicated in the name of each Fund. The Adviser uses a "passive" or index approach to achieve each Fund's investment objective by investing in a portfolio of securities that generally replicates the Funds' index. Each of the Funds is classified as a non-diversified fund under the 1940 Act. Non-diversified funds generally hold securities of fewer issuers than diversified funds and may be more susceptible to the risks associated with these particular issuers, or to a single economic, political or regulatory occurrence affecting these issuers. The Funds may purchase securities on foreign exchanges. Securities of foreign issuers involve special risks and considerations not typically associated with investing in U.S. issuers. These risks include devaluation of currencies, currency controls, less reliable information about issuers, different securities transaction clearance and settlement practices, future adverse political and economic developments and local/regional conflicts. These risks are heightened for investments in emerging market countries. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of comparable U.S. issuers.

As a result of recent events involving Ukraine and the Russian Federation, the United States and the European Union have imposed sanctions on certain Russian individuals and companies. These sanctions do not currently impact the Funds. Additional economic sanctions may be imposed or other actions may be taken that may adversely affect the value and liquidity of the Russian-related issuers held by the Funds.

At December 31, 2015, the Adviser owned 2,500 shares of Gold Miners ETF.

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MARKET VECTORS ETF TRUST

NOTES TO FINANCIAL STATEMENTS

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Note 8—Trustee Deferred Compensation Plan—The Trust has a Deferred Compensation Plan (the “Plan”) for Trustees under which the Trustees can elect to defer receipt of their trustee fees until retirement, disability or termination from the Board of Trustees. The fees otherwise payable to the participating Trustees are deemed invested in shares of the Funds as directed by the Trustees.

The expense for the Plan is included in “Trustees’ fees and expenses” in the Statements of Operations. The liability for the Plan is shown as “Deferred Trustee fees” in the Statements of Assets and Liabilities.

Note 9—Securities Lending—To generate additional income, each of the Funds may lend its securities pursuant to a securities lending agreement with The Bank of New York Mellon, the securities lending agent and also the Funds’ custodian. Each Fund may lend up to 33% of its investments requiring that the loan be continuously collateralized by cash, U.S. government or U.S. government agency securities, shares of an investment trust or mutual fund, or any combination of cash and such securities at all times equal to at least 102% (105% for foreign securities) of the market value plus accrued interest on the securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled on the next business day. During the term of the loan, the Funds will continue to receive any dividends, interest or amounts equivalent thereto, on the securities loaned while receiving a fee from the borrower and/or earning interest on the investment of the cash collateral. Such fees and interest are shared with the securities lending agent under the terms of the securities lending agreement. The Funds may pay reasonable finders’, administrative and custodial fees in connection with a loan of its securities. Securities lending income is disclosed as such in the Statements of Operations. The collateral for securities loaned is recognized in the Schedules of Investments and the Statements of Assets and Liabilities. The cash collateral is maintained on the Funds’ behalf by the lending agent and is invested in repurchase agreements collateralized by obligations of the U.S. Treasury and/or Government Agencies. Loans are subject to termination at the option of the borrower or the Funds. Upon termination of the loan, the borrower will return to the lender securities identical to the securities loaned. The Funds bear the risk of delay in recovery of, or even loss of rights in, the securities loaned should the borrower of the securities fail financially. The value of loaned securities and related collateral outstanding at December 31, 2015 are presented on a gross basis in the Schedules of Investments and Statements of Assets and Liabilities.

Effective January 1, 2015, the Funds adopted new accounting guidance under Accounting Standards Update No. 2014-11 Transfers and Servicing (Topic 860) *Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosure*, which requires expanded disclosures related to financial assets pledged in secured financing transactions, such as securities lending, and the related contractual maturity terms of these secured transactions. Accordingly, the following table presents repurchase agreements held as collateral by type of security on loan pledged as of December 31, 2015:

Fund	Gross amount of recognized liabilities for securities loaned in the Statements of Assets and Liabilities* Equity Securities
Agribusiness ETF	$102,952,716
Global Alternative Energy ETF	22,944,496
Gold Miners ETF	74,844,510
Junior Gold Miners ETF	63,256,692
Natural Resources ETF	5,392,348
Oil Services ETF	155,763,019
Rare Earth/Strategic Metals ETF	6,737,971
Solar Energy ETF	4,868,941
Steel ETF	12,800,595
Unconventional Oil & Gas ETF	4,892,435
Uranium+Nuclear Energy ETF	910,741

*Remaining contractual maturity of the agreements: overnight and continuous

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Note 10—Share Split—Effective February 14, 2012, the Board of Trustees of the Trust approved a 3 for 1 share split for the Oil Services ETF. Fund shares began trading on a split-adjusted basis on February 14, 2012. The Financial Highlights for the Oil Services ETF prior to February 14, 2012 have been adjusted to reflect the 3 for 1 share split.

Effective July 2, 2012, the Board of Trustees of the Trust approved a 1 for 15 reverse share split for Solar Energy ETF. Fund shares began trading on a split-adjusted basis on July 2, 2012. The Financial Highlights for Solar Energy ETF prior to July 2, 2012 have been adjusted to reflect the 1 for 15 reverse share split.

Effective July 1, 2013, the Board of Trustees of the Trust approved a 1 for 3 reverse share split for Global Alternative Energy ETF and Uranium+Nuclear Energy ETF, and 1 for 4 reverse share split for Junior Gold Miners ETF and Rare Earth/Strategic Metals ETF. Fund shares began trading on a split-adjusted basis on July 1, 2013. The Financial Highlights prior to July 1, 2013 for the respective Funds have been adjusted to reflect the reverse share splits.

Note 11—Bank Line of Credit—The Funds may participate in a $200 million committed credit facility (the "Facility") to be utilized for temporary financing until the settlement of sales or purchases of portfolio securities, the repurchase or redemption of shares of the Funds at the request of the shareholders and other temporary or emergency purposes. The Funds have agreed to pay commitment fees, pro rata, based on the unused but available balance. Interest is charged to the Funds at rates based on prevailing market rates in effect at the time of borrowings. During the year ended December 31, 2015, the following Funds borrowed under this Facility:

Fund	Days Outstanding	Average Daily Loan Balance	Average Interest Rate	Outstanding Loan Balance as of December 31, 2015
Agribusiness ETF	281	$3,084,365	1.53 %	$ 1,384,110
Coal ETF	91	265,047	1.54	—
Global Alternative Energy ETF	70	184,816	1.55	—
Gold Miners ETF	160	5,774,624	1.52	—
Junior Gold Miners ETF	304	7,090,139	1.53	14,212,697
Natural Resources ETF	310	333,223	1.53	465,628
Oil Services ETF	262	2,328,085	1.53	1,675,138
Rare Earth / Strategic Metals ETF	145	216,875	1.54	—
Solar Energy ETF	30	182,312	1.52	—
Steel ETF	144	119,797	1.53	—
Unconventional Oil & Gas ETF	84	202,124	1.52	—
Uranium+Nuclear Energy ETF	94	131,271	1.52	153,555

Note 12—Custodian Fees—The Funds have entered into an expense offset agreement with the custodian wherein they receive a credit toward the reduction of custodian fees whenever there are uninvested cash balances. The Funds could

have invested their cash balances elsewhere if they had not agreed to a reduction in fees under the expense offset agreement with the custodian. For the year ended December 31, 2015, there were no offsets to custodian fees.

Note 13—Subsequent Event Review—The Funds have evaluated subsequent events and transactions for potential recognition or disclosure through the date the financial statements were issued.

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MARKET VECTORS ETF TRUST

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Trustees and Shareholders of Market Vectors ETF Trust

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Agribusiness ETF, Coal ETF, Global Alternative Energy ETF, Gold Miners ETF, Junior Gold Miners ETF, Natural Resources ETF, Oil Refiners ETF, Oil Services ETF, Rare Earth/Strategic Metals ETF, Solar Energy ETF, Steel ETF, Unconventional Oil & Gas ETF, and Uranium+Nuclear Energy ETF (thirteen of the series constituting Market Vectors ETF Trust) (the "Funds") as of December 31, 2015, and the related statements of operations (for the period August 18, 2015, commencement of operations, through December 31, 2015 as it relates to Oil Refiners ETF), the statements of changes in net assets and the financial highlights for the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2015, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Agribusiness ETF, Coal ETF, Global Alternative Energy ETF, Gold Miners ETF, Junior Gold Miners ETF, Natural Resources ETF, Oil Refiners ETF, Oil Services ETF, Rare Earth/Strategic Metals ETF, Solar Energy ETF, Steel ETF, Unconventional Oil & Gas ETF, and Uranium+Nuclear Energy ETF (thirteen of the series constituting Market Vectors ETF Trust) at December 31, 2015, the results of their operations (for the period August 18, 2015, commencement of operations, through December 31, 2015 as it relates to Oil Refiners ETF), the changes in their net assets and the financial highlights for the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

New York, New York

February 23, 2016

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TAX INFORMATION

(unaudited)

The Funds listed below intend to pass through foreign tax credits in the maximum amounts shown. The gross foreign source income earned during 2015 by the Funds is shown below.

Fund	Foreign Tax Credits	Gross Foreign Source Income
Coal ETF	$237,029	$2,376,166
Gold Miners ETF	2,483,069	68,285,751
Junior Gold Miners ETF	513,963	15,562,115
Oil Refiners ETF	1,177	11,464
Rare Earth/Strategic Metals ETF	35,822	769,870

Corporate Dividends Received Deduction

The Funds listed below had the following percentage of ordinary income dividends paid that qualified for the Corporate Dividends Received Deduction in 2015.

Agribusiness ETF	40.20%
Coal ETF	12.03%
Global Alternative Energy ETF	40.84%
Gold Miners ETF	13.25%
Junior Gold Miners ETF	6.85 %
Natural Resources ETF	45.78%
Oil Refiners ETF	52.82%
Oil Services ETF	49.24%
Steel ETF	22.76%
Unconventional Oil & Gas ETF	60.65%
Uranium+Nuclear Energy ETF	86.34%

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MARKET VECTORS ETF TRUST

BOARD OF TRUSTEES AND OFFICERS

December 31, 2015 (unaudited)

Name, Address[1] and Year of Birth	Position(s) Held with the Trust	Term of Office[2] and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex[3] Overseen	Other Directorships Held By Trustee During Past Five Years
Independent Trustees:					
David H. Chow, 1957*†	Chairman Trustee	Since 2008 Since 2006	Founder and CEO, DanCourt Management LLC (financial/ strategy consulting firm and Registered Investment Adviser), March 1999 to present.	54	Director, Forward Management LLC and Audit Committee Chairman, January 2008 to present; Trustee, Berea College of Kentucky and Vice-Chairman of the Investment Committee, May 2009 to present; Member of the Governing Council of the Independent Directors Council, October 2012 to present; President, July 2013 to present, and Board Member of the CFA Society of Stamford, July 2009 to present; Advisory Board member, MainStay Fund Complex[4], June 2015 to December 2015; Trustee, MainStay Fund Complex[4], January 2016 to present.
R. Alastair Short, 1953*†	Trustee	Since 2006	President, Apex Capital Corporation (personal investment vehicle), January 1988 to present; Vice Chairman, W.P. Stewart & Co., Inc. (asset management firm), September 2007 to September 2008; and Managing Director, The GlenRock Group, LLC (private equity investment firm), May 2004 to September 2007.	65	Chairman and Independent Director, EULAV Asset Management, January 2011 to present; Independent Director, Tremont offshore funds, June 2009 to present; Director, Kenyon Review.
	Trustee	Since 2012		54	

Peter J. Sidebottom, 1962*†			Partner, PWC/Strategy & Financial Services Advisory, February 2015 to present; Founder and Board Member, AspenWoods Risk Solutions, September 2013 to present; Independent Consultant, June 2013 to February 2015; Partner, Bain & Company (management consulting firm), April 2012 to December 2013; Executive Vice President and Senior Operating Committee Member, TD Ameritrade (on-line brokerage firm), February 2009 to January 2012.		Board Member, Special Olympics, New Jersey, November 2011 to September 2013; Director, The Charlotte Research Institute, December 2000 to present; Board Member, Social Capital Institute, University of North Carolina Charlotte, November 2004 to January 2012; Board Member, NJ-CAN, July 2014 to present.
Richard D. Stamberger, 1959*†	Trustee	Since 2006	Director, President and CEO, SmartBrief, Inc. (media company).	65	Director, Food and Friends, Inc., 2013 to present.
Interested Trustee:					
Jan F. van Eck, 1963[5]	Trustee, President and Chief Executive Officer	Trustee (Since 2006); President and Chief Executive Officer (Since 2009)	Director, President and Owner of the Adviser, Van Eck Associates Corporation; Director and President, Van Eck Securities Corporation ("VESC"); Director and President, Van Eck Absolute Return Advisers Corp. ("VEARA").	54	Director, National Committee on US-China Relations.

1 The address for each Trustee and officer is 666 Third Avenue, 9th Floor, New York, New York 10017.
2 Each Trustee serves until resignation, death, retirement or removal. Officers are elected yearly by the Trustees.
3 The Fund Complex consists of the Van Eck Funds, Van Eck VIP Trust and the Trust.
4 The MainStay Fund Complex consists of MainStay Funds Trust, MainStay Funds, MainStay VP Funds Trust, Private Advisors Alternative Strategies Master Fund, Private Advisors Alternative Strategies Fund and MainStay DefinedTerm Municipal Opportunities Fund.
5 "Interested person" of the Trust within the meaning of the 1940 Act. Mr. van Eck is an officer of the Adviser.
* Member of the Audit Committee.
† Member of the Nominating and Corporate Governance Committee.

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Officer's Name, Address[1] and Year of Birth	**Position(s) Held with the Trust**	**Term of Office[2] and Length of Time Served**	**Principal Occupation(s) During The Past Five Years**
Russell G. Brennan, 1964	Assistant Vice President and Assistant Treasurer	Since 2008	Assistant Vice President and Assistant Treasurer of the Adviser (since 2008); Manager (Portfolio Administration) of the Adviser, September 2005 to October 2008; Officer of other investment companies advised by the Adviser.
Charles T. Cameron, 1960	Vice President	Since 2006	Director of Trading (since 1995) and Portfolio Manager (since 1997) for the Adviser; Officer of other investment companies advised by the Adviser.
Simon Chen, 1971	Assistant Vice President	Since 2012	Greater China Director of the Adviser (since January 2012); General Manager, SinoMarkets Ltd. (June 2007 to December 2011).
John J. Crimmins, 1957	Vice President, Treasurer, Chief Financial Officer and Principal Accounting Officer	Vice President, Chief Financial Officer and Principal Accounting Officer (Since 2012); Treasurer (Since 2009)	Vice President of Portfolio Administration of the Adviser, June 2009 to present; Vice President of VESC and VEARA, June 2009 to present; Chief Financial, Operating and Compliance Officer, Kern Capital Management LLC, September 1997 to February 2009; Officer of other investment companies advised by the Adviser.
Eduardo Escario, 1975	Vice President	Since 2012	Regional Director, Business Development/Sales for Southern Europe and South America of the Adviser (since July 2008); Regional Director (Spain, Portugal, South America and Africa) of Dow Jones Indexes and STOXX Ltd. (May 2001 – July 2008).
Lars Hamich, 1968	Vice President	Since 2012	Managing Director and Chief Executive Officer of Van Eck Global (Europe) GmbH (since 2009); Chief Executive Officer of Market Vectors Index Solutions GmbH ("MVIS") (since June 2011); Managing Director of STOXX Limited (until 2008).
Wu-Kwan Kit, 1981	Assistant Vice President and Assistant Secretary	Since 2011	Assistant Vice President, Associate General Counsel and Assistant Secretary of the Adviser, VESC and VEARA (since 2011); Associate, Schulte Roth & Zabel (September 2007 – 2011); University of Pennsylvania Law School (August 2004 – May 2007).
	Vice President	Since 2006	

Susan C. Lashley, 1955			Vice President of the Adviser and VESC; Officer of other investment companies advised by the Adviser.
Laura I. Martínez, 1980	Assistant Vice President and Assistant Secretary	Since 2008	Assistant Vice President, Associate General Counsel and Assistant Secretary of the Adviser, VESC and VEARA (since 2008); Associate, Davis Polk & Wardwell (October 2005 – June 2008); Officer of other investment companies advised by the Adviser.
Ferat Oeztuerk, 1983	Assistant Vice President	Since 2012	Sales Associate, Van Eck Global (Europe) GmbH (since November 2011); Account Manager, Vodafone Global Enterprise Limited (January 2011 to October 2011).
James Parker, 1969	Assistant Treasurer	Since June 2014	Manager (Portfolio Administration) of the Adviser (since June 2010); Vice President of JPMorgan Chase & Co. (April 1999 to January 2010).
Jonathan R. Simon, 1974	Vice President, Secretary and Chief Legal Officer	Vice President (Since 2006) and Secretary and Chief Legal Officer (Since 2014)	Vice President (since 2006), General Counsel and Secretary (since 2014) of the Adviser, VESC and VEARA; Officer of other investment companies advised by the Adviser.
Bruce J. Smith, 1955	Senior Vice President	Since 2006	Senior Vice President, Chief Financial Officer, Treasurer and Controller of the Adviser, VESC and VEARA (since 1997); Director of the Adviser, VESC and VEARA (since October 2010); Officer of other investment companies advised by the Adviser.
Janet Squitieri, 1961	Chief Compliance Officer	Since September 2013	Vice President, Global Head of Compliance of the Adviser, VESC and VEARA (since September 2013); Chief Compliance Officer and Senior Vice President North America of HSBC Global Asset Management NA (August 2010 – September 2013); Chief Compliance Officer North America of Babcock & Brown LP (July 2008 – June 2010).

1 The address for each Officer is 666 Third Avenue, 9th Floor, New York, New York 10017.
2 Officers are elected yearly by the Trustees.

MARKET VECTORS ETF TRUST

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

(unaudited)

At a meeting held on June 9, 2015 (the “Meeting”), the Board of Trustees (the “Board”) of Market Vectors ETF Trust (the “Trust”), including all of the Trustees that are not interested persons of the Trust (the “Independent Trustees”), considered and approved an investment management agreement between the Trust and Van Eck Associates Corporation (the “Adviser”) (the “Investment Management Agreement”) with respect to the Market Vectors Oil Refiners ETF (the “Fund”).

The Board’s approval of the Investment Management Agreement was based on a comprehensive consideration of all of the information available to the Trustees and was not the result of any single factor. Some of the factors that figured particularly in the Trustees’ deliberations and how the Trustees considered those factors are described below, although individual Trustees may have evaluated the information presented differently, giving different weights to various factors.

In advance of the Meeting, the Trustees received materials from the Adviser, including expense information for other funds. The Adviser provided the Trustees with information regarding, among other things, the various aspects of the Fund’s proposed investment program, fee arrangements and service provider arrangements. The Independent Trustees’ consideration of the Investment Management Agreement was based, in part, on information obtained through discussions with the Adviser at the Meeting regarding the management of the Fund, information obtained at other meetings of the Trustees and/or based on their review of the materials provided by the Adviser, including the background and experience of the portfolio managers and others proposed to be involved in the management and administration of the Fund. The Trustees also considered the terms and scope of services that the Adviser would provide under the Investment Management Agreement, including the Adviser’s commitment to waive certain fees and/or pay expenses of the Fund to the extent necessary to prevent the operating expenses of the Fund from exceeding agreed upon limits for a period of at least one year following the effective date of the Fund’s registration statement.

The Trustees considered the benefits, other than the fees under the Investment Management Agreement, that the Adviser would receive from serving as adviser to the Fund, including any benefits it may receive from serving as administrator to the Fund and from an affiliate of the Adviser serving as distributor to the Fund. The Trustees did not consider historical information about the cost of the services provided by the Adviser or the profitability of the Fund to the Adviser because the Fund had not yet commenced operations. In addition, because the Fund had not yet commenced operations, the Trustees could not consider the historical performance or the quality of services previously provided to the Fund by the Adviser, although they concluded that the nature, quality and extent of the services to be provided by the Adviser were appropriate based on the Trustees’ knowledge of the Adviser and its personnel and the operations of the other series of the Trust.

The Independent Trustees were advised by and met in executive session with their independent counsel at the Meeting as part of their consideration of the Investment Management Agreement.

In voting to approve the Investment Management Agreement, the Trustees, including the Independent Trustees, concluded that the terms of the Investment Management Agreement are reasonable and fair in light of the services to be performed, expenses to be incurred and such other matters as the Trustees considered relevant in the exercise of their reasonable judgment. The Trustees further concluded that the Investment Management Agreement is in the best interest of the Fund and the Fund's shareholders.

This report is intended for the Funds' shareholders. It may not be distributed to prospective investors unless it is preceded or accompanied by a Market Vectors ETF Trust (the "Trust") Prospectus, which includes more complete information. An investor should consider the investment objective, risks, and charges and expenses of the Funds carefully before investing. The prospectus contains this and other information about the investment company. Please read the prospectus carefully before investing.

Additional information about the Trust's Board of Trustees/Officers and a description of the policies and procedures the Trust uses to determine how to vote proxies relating to portfolio securities are provided in the Statement of Additional Information. The Statement of Additional Information and information regarding how the Trust voted proxies relating to portfolio securities during the most recent twelve month period ending June 30 is available, without charge, by calling 1.800.826.2333, or by visiting vaneck.com, or on the Securities and Exchange Commission's website at http://www.sec.gov.

The Trust files its complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Trust's Form N-Qs are available on the Commission's website at http://www.sec.gov and may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1.202.942.8090. The Funds' complete schedules of portfolio holdings are also available by calling 1.800.826.2333 or by visiting vaneck.com.

Investment Adviser:	Van Eck Associates Corporation	
Distributor:	Van Eck Securities Corporation	
	666 Third Avenue, New York, NY 10017	
	vaneck.com	
Account Assistance:	800.826.2333	MVHAAR

Item 2. CODE OF ETHICS.

(a) The Registrant has adopted a code of ethics (the "Code of Ethics") that applies to the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

(b) Not applicable.

(c) The Registrant has not amended its Code of Ethics during the period covered by the shareholder report presented in Item 1 hereto.

(d) The Registrant has not granted a waiver or an implicit waiver from a provision of its Code of Ethics during the period covered by the shareholder report presented in Item 1 hereto.

(e) Not applicable.

(f) The Registrant's Code of Ethics is attached as an Exhibit hereto.

Item 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The Registrant's Board of Trustees has determined that David Chow, R. Alastair Short and Richard Stamberger, members of the Audit and Governance Committees, are "audit committee financial experts" and "independent" as such terms are defined in the instructions to Form N-CSR Item 3(a)(2).

Item 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The principal accountant fees disclosed in Item 4(a), 4(b), 4(c), 4(d) and 4(g) are for the Funds of the Registrant for which the fiscal year end is December 31.

(a) Audit Fees. The aggregate Audit Fees of Ernst & Young for professional services billed for the audits of the financial statements, or services that are normally provided in connection with statutory and regulatory filings or engagements for the fiscal years ended December 31, 2015 and December 31, 2014, were $713,740 and $681,480, respectively.

(b) Audit-Related Fees. Not applicable.

(c) Tax Fees. The aggregate Tax Fees of Ernst & Young for professional services billed for the review of Federal, state and excise tax returns and other tax compliance consultations for the fiscal years ended December 31, 2015 and December 31, 2014, were $578,143 and $832,098, respectively.

(d) All Other Fees

None.

(e) The Audit Committee will pre-approve all audit and non-audit services, to be provided to the Funds, by the independent accountants as required by Section 10A of the Securities Exchange Act of 1934. The Audit Committee has authorized the Chairman of the Audit Committee to approve, between meeting dates, appropriate non-audit services.

The Audit Committee after considering all factors, including a review of independence issues, will recommend to the Board of Trustees the independent auditors to be selected to audit the financial statements of the Funds.

(f) Not applicable. (g) Not applicable. (h) Not applicable. Item 5. AUDIT COMMITTEE OF LISTED REGISTRANTS. The Registrant's Board has an Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act (15 U.S.C. 78c(a)(58)(A)) consisting of four Independent Trustees. Messrs. Chow, Short, Sidebottom and Stamberger currently serve as members of the Audit Committee. Mr. Short is the Chairman of the Audit Committee. Item 6. SCHEDULE OF INVESTMENTS. Information included in Item 1. Item 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES. Not applicable. Item 8. PORTFOLIO MANAGER OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES. Not applicable. Item 9. PURCHASE OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS. Not applicable. Item 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. None. Item 11. CONTROLS AND PROCEDURES. (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3 (c)) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15 (b)). (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a(d)) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting. Item 12. EXHIBITS. (a)(1) The code of ethics is attached as EX-99.CODE ETH (a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Act (17 CFR 270.30a-2) is attached as Exhibit 99.CERT. (b) Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 is furnished as Exhibit 99.906CERT.

SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. (Registrant) MARKET VECTORS ETF TRUST By (Signature and Title) /s/ John J. Crimmins, Treasurer and CFO -------------------------------------- Date March 4, 2016 ---------------- Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. By (Signature and Title) /s/ Jan F. van Eck, CEO ------------------------- Date March 4, 2016 ---------------- By (Signature and Title) /s/ John J. Crimmins, Treasurer and CFO --- Date March 4, 2016 ----------------